

EUROPEAN NEWS

French unions threaten major pay conflict

BY DAVID HOUSEGO IN PARIS

THE EFFORTS of the French Socialist Government to end the virtually automatic indexing of wages in the public sector are meeting growing resistance from the unions.

The Communist-led CGT union warned yesterday of the risk of "a major conflict" if the Government did not make good losses in purchasing power suffered last year by some 4m public employees. Negotiations with the unions on implementing the "safeguard" clause in the 1983 wage agreement and on pay settlements for this year are to resume next Wednesday.

All seven unions representing public employees have threatened strikes action if Wednesday's meeting does not yield back-dated pay increases to compensate for higher than expected inflation last year. It is the first time in six years that the unions have agreed to act together.

Wage negotiations this week with bank employees, and at Renault, Air France and Electricite de France all ended in

deadlock. Unions described as unacceptable and provocative the offer by the nationalised banks which would effectively result in a loss of purchasing power this year.

M Pierre Mauroy, the Prime Minister, has laid down a complicated formula for wage settlements this year that in practice give many employees a minimal 1.3 per cent rise. The formula provides that a state employee's total remuneration this year, including bonuses and seniority payments, should not be more than 6.1 per cent above last year's level. As a result state organisations that gave increases towards the end of last year have hardly anything to give away this year.

The banks are thus offering a 1 per cent wage increase in June followed by 2 per cent on January 1, 1985. Air France is offering a staggered 2.6 per cent in a year when most forecasters expect inflation to rise by about 7 per cent.

Renault says that of the 6.1 per cent ceiling, 4.3 per cent

will have been carried forward from last year. It therefore, has only an additional 1.8 per cent total remuneration increase to negotiate this year.

There is still no knowing in practice how far unions and their rank-and-file will carry their militancy. But the large turnout in Paris last week of public employees protesting at the wages policy suggests that the Government faces a nasty test of strength.

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Big TV hit for Yves Montand's economic crisis show

BY PAUL BETTS IN PARIS

YVES MONTAND, the hugely popular French actor and singer, gave millions of households in France an hour-and-a-half-long lesson in economics on television this week.

According to public opinion polls, the outspoken M Montand has become the most popular man in France, more popular than any politician, film star or sports personality. It was thus no surprise that his explanation of the current economic crisis facing France on Wednesday night was watched by one of the highest audiences in the history of French television.

More people watched the Montand programme, called "Vive la crise," than President Francois Mitterrand in his recent television appearances. This latest resounding success for the French actor has further strengthened what is being called these days in France "the Montand phenomenon."

M Montand's programme opened with a sequence showing a Russian tourist visiting Paris and writing home to say that the French are essentially

suffering from a "crise de foie"—the legendary French liverishness—rather than an economic crisis.

M Montand, of course, went on to show that the crisis is very real and very dangerous, that the world is "living 1929 in slow motion," and that it is basically up to every individual to respond to the challenges posed by the present situation.

Montand's show was essentially designed to answer in simple language questions about the cause of the recession and how best to cope with it. It was basically an apologetic economic expose, although the programme came down against protectionism and argued among other things, in favour of modernising and restructuring industry and of not missing the so-called "third industrial revolution."

Despite the rave reviews M Montand's presentation tended to consist of a collage of economic commonplace.

Nonetheless, it was an important event. All the French leading politicians responded to the

programme. M Jacques Delors, the finance and economy minister, for example thought the programme contained "a strong message, delivered with talent." The Communists, however, thought otherwise and protested vigorously.

M Philippe Herzig, of the Communist Party's political bureau, claimed the programme showed up "a spirit of national resignation, a spirit of an economic Munich." Moreover, the Communists were upset because they claimed the programme was one-sided.

But then M Montand has become one of the biggest thorns in the flesh of the French Communist party. Gone are the days when M Montand and his equally famous wife, Simone Signoret, the actress, flew to Moscow to see Mr Khrushchev, and when the film actor and his wife were among the fashionable left-wingers of the Paris literary and intellectual scene.

M Montand has become one of the hardest popular critics of Moscow, of the French Communists, and at times of the Left



Montand... 'most popular man in France'

as a whole. Never missing a chance to make his views on the world, on freedom, on any subject for that matter, publicly and vocally known.

His open admissions that his political views have changed and his direct manner of speaking have largely contributed to his growing popularity in France. He also remains a big box office success in his own right.

The "Montand phenomenon" has clearly become a factor in French political life. Many people would like to see M Montand, now 62 years old, run for President in France. A television interviewer recently asked him if he would consider running. M Montand answered he would not, because he was a good actor, unlike Mr Reagan, who had run because he was a bad one.

Ironically, M Montand was holding his "Vive la crise" television show just as thousands of protesting lorrydrivers continued to paralyse traffic on French roads, threatening havoc to the economy. M Montand, however, should have sympathies for the lorry drivers. One of his greatest film roles was, after all, the trucker in the "Wages of Fear."

Senator's murder halts Basque poll campaign

By David White in Madrid

ELECTION campaigning in the Spanish Basque country was called to a brutal halt yesterday by the murder of a Socialist Senator, Sr Enrique Casas, in San Sebastian.

Sr Felipe Gonzalez, the Prime Minister, called an urgent meeting with top aides in Madrid after the assassination.

The murder of Sr Casas (40), who was shot at least eight times by a hooded gunman as he was leaving his home for local party headquarters, was attributed by politicians to Eta, the separatist organisation, or a related group.

If this supposition is borne out, it is the first time since the death of General Franco in 1975 and the establishment of democracy in Spain, that Eta has chosen a prominent politician as an assassination target.

The killing also marks a change in tactics during election periods, when Eta has in the past taken a backstage position.

The conservative Basque Nationalist Party (PNV), which runs the region's autonomous government and has been tipped as outright victor in the current election, proposed immediate talks between local party leaders in the wake of the assassination.

The election on Sunday is to renew the Basque Parliament set up in 1980 to accommodate demands for some rule in the Basque country, crushed since the Spanish Civil War.

Sr Casas, a member of the Madrid Senate, was also top of the Socialist Party's list of candidates in Guipuzcoa, the Basque province where Eta ostensibly has the largest proportion of popular support.

Five political parties, including the PNV, the Socialists and the right-wing Popular Coalition immediately called off the final stages of the campaign, which should have continued until midnight tonight.

The regional electoral board, however, that Sunday's ballot would go ahead as planned.

Sr Gregorio Peces-Barba, the Socialist Speaker, said that democracy would never be beaten by "this human scum, the terrorists," and that the killing would not succeed in keeping people away from the ballot boxes.

A PNV spokesman in Madrid said "anything could happen" in the election and that the killing could lead to wide abstention or to a massive vote as a protest against the terrorists.

Important barrier to UK budget rebate removed by MEPs

BY PAUL CHESEBRIGHT IN BRUSSELS

THE BUDGET committee of the European Parliament has removed one of the main obstacles to early payment of Britain's £457m EEC budget rebate for 1983.

An 18-1 vote in favour of regulations permitting the payment has diminished the chances of the UK withholding budget payments later this year. Such action is thought inevitable if the rebate is not received by the end of the financial year on March 31.

But the full Parliament's final vote on the budget rebate will not take place until after the EEC summit in Brussels on March 19-20. As Lord Dourou, the Conservative budget spokesman at the Parliament noted yesterday, a clear political line has been established between the budget rebata and the outcome of the summit.

If the summit does not provide evidence of a solution to the EEC's basic financial problems, then it is considered likely that the Parliament will continue to block payment of the rebate.

But the budget committee's decision is a crucial move in the

complex legal procedure which has to be followed before regulations covering Britain's 1983 rebate can come into force.

The regulations cannot be adopted without the approval of the Parliament. But it has been tardy in giving its opinion, leading last week to an urgent Council request for action that presupposed an emergency session.

Such a session has been ruled out. The full Parliament will vote on the opinion adopted by the budget committee on March 12. It is expected to follow the committee line.

That vote out of the way, there would be an opportunity for Parliament's leaders to hold talks with the Council of Ministers the day after, a date on which the Council has a planned meeting in Brussels.

The talks would aim to reconcile the different views of the two sides on the rebate. That done, the full Parliament theoretically could give its approval to the rebate payment at the end of the month, just in time to meet the British demand for a quick resolution of the issue.

Brussels presses for more integrated gas market

BY OUR BRUSSELS STAFF

BRITAIN should work towards closer links with the other Western European countries to create a more integrated European gas market, making the most of opportunities for economy and enhancing energy security, according to the European Commission.

Its recommendation was made yesterday in a review of energy emergency strategy up to the end of the decade prepared for the Council of Ministers.

Access to the gas and oil of the North Sea had reduced pressure on Britain to work towards a more integrated gas market, the Commission said.

Hitherto, the Government has prevented the export of gas from Britain's continental shelf, but signs of a reversal of this policy have emerged with the disclosure of informal talks with the Netherlands on a gas pipeline.

The UK Treasury has apparently expressed interest in an Anglo-European gas pipeline to permit exports from the British continental shelf, partly to defray the cost of importing Norwegian gas.

The Commission's interest in the gas question is related to the creation of an EEC common market in energy. Failure to achieve this is one of its points of concern in the review.

Others include the risk of a new oil crisis. Although EEC oil consumption has dropped, it expected imported oil to account

EEC ENERGY TRENDS (million tonnes oil equivalent)

	1983 estimates	1990 forecasts
DEMAND		
Oil	410	430
Solid fuels	227	245
Natural gas	162	194
SUPPLY (from internal sources)		
Oil	130	106
Solid fuels	175	179
Natural gas	119	114
Others	74.5	144
	15.3	24
NET IMPORTS		
Oil	287	323
Solid fuels	47	65
Natural gas	47	80

for a third of Community energy needs at the end of this decade and the greater part of that will come from Opec countries in the Middle East.

Joint energy policy has helped to reduce the role of oil in EEC energy consumption from 62 per cent in 1973 to 48 per cent last year. It should decline to 45 per cent by 1990, close to the Community objective, according to the Commission.

But the vulnerability of EEC states to a new oil crisis varies. The Commission picks out Denmark, Greece, Ireland, Italy and the Netherlands as the most vulnerable—they will still depend on oil for more than 50 per cent of their energy in 1990.

Arbed subsidy approved

BY OUR BRUSSELS STAFF

THE LUXEMBOURG Government has received authority from the European Commission to provide subsidies of LFr 15bn (£227.5m) to Arbed, the national steel company, by the end of 1985. This is the first time the Commission has approved a final restructuring plan for a national steel industry under the EEC plan to reform the sector.

Governments have to satisfy

the Commission that fresh capacity cuts demanded in June last year will be met and that the company will be financially viable by the end of next year. Once satisfied, the Commission authorises the subsidy.

In Arbed's case, hot rolled capacity is being cut back from a maximum of 5.2m tonnes in 1982 to 3.9m tonnes by the end of 1985. Cold rolled capacity is being cut from 400,000 to 360,000 tonnes.

Danish budget Bill passed

By Our Copenhagen Correspondent

DENMARK'S centre-right Government finally won parliamentary approval yesterday for its 1984 budget, the defeat of which last December prompted a general election last month.

The budget Bill was passed by 79 votes to 27. There were 45 abstentions and 25 absentees in the 179-seat Parliament.

The opposition Social Democrats announced earlier in the week that they would abstain in the vote, thus clearing the way for the Bill to receive a comfortable majority.

Preliminary figures, meanwhile, showed a Danish foreign trade deficit of Dkr 1.57bn (£26m) last month compared to a surplus of Dkr 650m in the same month last year. It was the second consecutive month that Denmark has recorded a large deficit on its foreign trade and has led to concern about the country's balance of payments this year.

Genetic engineering patent granted for interferon

BY JOHN WICKS IN ZURICH

THE genetically-engineered substance, interferon, may become available for treating late this year or early in 1985. This follows the granting by the European Patent Office to Biogen, the Swiss company, and Schering-Plough, its U.S. licensee, of the first-ever major patent for a genetic engineering product.

The patent covers the manufacture and sale of alpha-interferons made in bacteria, yeast or animal cells. Biogen is also seeking U.S.

patent protection, while Schering-Plough has filed applications with European and U.S. regulatory agencies for approval to start marketing recombinant alpha-interferon.

However, another U.S. company, Genentech, claimed this week that it already holds a U.S. patent for a genetically-engineered form of "hybrid" alpha-interferon and that the Hoffman-La Roche pharmaceutical company is testing it. Both said they would challenge the Biogen patent.

Call for continued Soviet reforms

BY ANTHONY ROBINSON

MR VITALI Vorotnikov, who under the late President Andropov enjoyed rapid promotion to full Politburo status and the Premiership of the Russian Federation, the largest and most important of the 15 Soviet republics, has called for a continuation of the drive for greater discipline and economic reforms in an election address in Southern Russia.

Mr Vorotnikov, 57, is believed to have been groomed by Mr Andropov to take over the Premiership of the Soviet Union from 75-year-old Nikolai Tikhonov, the present Prime Minister. He is also one of the main forces behind the cautious economic reform and cadre rejuvenation policies begun by

Mr Andropov.

Mr Vorotnikov's forecast statement of the need to continue the drive against corruption and introduce new methods of management is seen by Western diplomats as part of an effort by younger leaders to keep up the momentum of economic reform despite the opposition of older cadres. The latter are believed to see Mr Konstantin Chernenko, the new Soviet leader, as the protector of their interests and at best lukewarm about reform.

The death of Mr Andropov interrupted a series of election meetings being held around the country in preparation for the formal "election" of new members to the Supreme Soviet, the

rubber stamp Soviet Parliament on March 4.

Once candidates have been selected and their names placed on the electoral list, they are expected to make one speech in their constituency. Mr Vorotnikov is one of a series of Soviet leaders who are making use of this occasion to deliver speeches whose contents are being closely scrutinised for indications of the likely course of Soviet policy under Mr Chernenko.

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EUROPEAN NEWS

Swiss likely to back continued conscription

By Anthony McDermott in Geneva

THE SWISS vote next Sunday on whether to introduce a civilian alternative to compulsory military service for males of 19 years old.

It would be a significant change in Swiss thinking if the population said "yes" for it has rejected the idea once already. In a referendum in 1977 it failed by 523,733 votes to 85,868 as being "an idea ahead of its time," according to one official yesterday.

Switzerland has a standing army of only 50,000 but, thanks to conscription, constant training courses and a mobilisation system (from which Israel has learned), it can raise about 600,000 men within 48 hours.

It is a fundamental part of most Swiss life which its supporters claim is a great social leveller because it brings together in units people from widely differing walks of life.

There have been occasional demonstrations against compulsory military service. Last week, two men carried round Geneva a gaudy orange and yellow coffin marked, "Vote No to military service." By contrast, the local right-wing party, Vigilance, has covered the city with posters of a youth in jeans and jogging shoes lying back with hat over face, lazily asleep. Below, "Vote No." The lines are drawn.

To oppose military service—and in Western Europe only Cyprus, Greece and Turkey refused to recognise the right of conscientious objection—is quite a step for a Swiss youth and not many take it.

Out of something like 40,000 recruits only 745 refused last year and received jail sentences of between four and nine months (compared with the 17 weeks' basic training).

The opposition lasts longer, however. West Swiss companies will think twice about employing a man who has refused military service. Both Amnesty International and the Council of Europe have expressed views about this apparent curtailment of civil liberties.

Even those arguing for an alternative service half as long again as the training period, have found themselves up against a brick wall. One writer on Switzerland put it succinctly: "To question the army is to question Swiss honour. If the young 'won't go,' it must mean that they no longer think Switzerland worth defending."

Others argue that those wanting an alternative to military service have not come up with a sufficiently testing alternative.

The fact remains, however, that even if the debate has progressed since the first referendum, in all likelihood the Swiss people will reject and defer to a later date the idea that military service can be anything but compulsory.

Netherlands urged by OECD to curb public expenditure

By Paul Betts in Paris

THE NETHERLANDS should reduce its high public sector deficit by cutting public expenditure rather than increasing taxes, says the Organisation for Economic Co-operation and Development (OECD) in its latest assessment of the Dutch economy.

The report warns, however, that the need to cut the size of the public sector and the deficit at a time of weak internal demand will have inevitable deflationary consequences in the short run.

As a result, it expects the already high unemployment rate to rise higher to about 16.5 per cent of the workforce by the end of this year. Real growth in gross domestic product of slightly more than 1 per cent in both 1983 and 1984, says the report, will not be sufficient to stem the fall in employment in the private sector which started four years ago.

The OECD argues, though, that the burden reducing the public deficit on output and employment will moderate as the efficiency and profitability of industry improves.

The current level of profitability in Dutch manufacturing industry is extremely low both

by historical and international standards, it adds. Industry's ability to respond to market forces would be enhanced by reducing subsidies to non-viable sectors.

The report endorses Dutch efforts to lower social security benefits in order to reduce both public expenditure and improve the flexibility of the labour market and investment prospects. But it says that substantial new commitments are essential in decentralising pay bargaining and avoiding indexation in wage contracts.

The rapid increase in public debt and high debt servicing costs will force the authorities to reduce borrowing over the medium term, suggests the report. While lower international interest rates would ease the debt servicing problem, it would not solve it.

Although the rate of unemployment is one of the highest among the 24 OECD member countries, inflation has been reduced to one of the lowest levels. The 2.5 per cent rate of inflation, however, is expected to accelerate a little this year because of higher import prices and an increase in indirect taxes.

Setbacks for Communists over Craxi incomes policy

By James Buxton in Rome

EFFORTS BY the Italian Communist Party to force the Government of Sig Bettino Craxi to abandon its policy of imposing a reduction in wage indexation by decree have already suffered setbacks.

The party's motion calling for the rejection of the decree as unconstitutional was defeated by a substantial majority on a secret ballot in the Senate on Wednesday night. Earlier, a general strike called in Rome by the Communist-oriented CGIL union failed to achieve more than a modest turnout and had little effect on life in the city.

Sig Enrico Berlinguer, the party leader, this week warned the Government that if it did not abandon its compulsory incomes policy, its days would be numbered. The policy involves a cut in the workings of the

scale mobile wage indexation system, and a limit on government-controlled price increases.

It was introduced by decree last week with the support of all but the Communists of the union movement. But, despite Wednesday night's favourable vote, the measure has other parliamentary hurdles to cross, and must be approved within 60 days.

Nevertheless, the staving off of the Communist threat should create a more stable background for the five-day congress of the Christian Democrat Party which begins today.

It is expected to reaffirm by a substantial majority the leadership of Sig Ciriaco de Mita, despite the fact that last June he led the party into its worst ever electoral setback. Its vote fell nearly six points to 33 per cent.

UN chief in East Europe

By David Buchan

THE UNITED NATIONS secretary general, Javier Perez Cuellar, is spoken out on his current tour of Eastern Europe about the importance of human rights. But in the more controversial part of his trip, in Poland and Czechoslovakia, he evidently achieved little. He is due to go on to Bulgaria on Saturday from Budapest where he arrived yesterday from Czechoslovakia.

The Czech human rights group, Charter 77, is reliably reported to have sent him a letter protesting about their per-

secution. In talks with Czechoslovakia leaders, he promised to help with the release of some 20 Czechoslovak held hostage by anti-Marxist Unita rebels in Angola.

In Poland he obtained the release of a Polish employee of the UN imprisoned for spying.

While he made a speech in Krakow stressing all human rights including trade union association, his raising of the issue of Solidarity prisoners seems to have had little effect on the Polish authorities.

Drinking has become almost unacceptable in public, reports David Brown in Stockholm. If you fancy a Scotch, avoid Sweden at the weekend

CONSUMPTION OF yeast, flour and sugar in Sweden has rocketed, but not because people are making more bread. Burdened with perhaps the highest alcohol prices in Europe and stern anti-drinking laws, the Swedes are turning to making their own spirits at home.

The abuse of alcohol in private follows years of Government attempts to abolish drinking as an acceptable part of daily public life. Alcoholics in Sweden face a social ostracism of a kind unknown elsewhere in Europe.

Arrests for home brewing stood at 440 in the first half of 1983 compared with 140 for the same period in 1980. The National Board of Health and Welfare says that "factory-like" distilleries have been discovered.

Official policy is aimed at discouraging consumption and raising revenue at the same time. The Government has a monopoly on liquor sales, which together with related taxes, will generate an estimated 5 per cent of its total revenue in the 1984-85 budget year.

According to official sales figures, average consumption over the past five years has dropped by 14 per cent, but the statistics may be misleading. The Government estimates that "millions of litres" of alcohol are being smuggled or illicitly produced in Sweden every year. The growth of illegal drinking reflects the gulf between private practice and public policy which is rooted in a strong temperance movement. Sweden is considered part of the northern "vodka belt," and although consumption is only 6.2 litres per capita of absolute alcohol annually, compared with about 14 in France, 12.5 in West Germany and 11 in Italy, drinking is regularly pronounced

"the greatest social and medical problem in the country."

Anti-drinking laws are draconian.

There are 316 liquor outlets to serve a population of 8m people and they are open only during normal working hours on Monday to Friday, a particular inconvenience since both husbands and wives work in most households.

Nobody under 20 can buy from the liquor outlets, although those aged 18 the age of majority can be served drinks in pubs and restaurants. Officials claim to have reduced alcohol consumption by young people by as much as 50 per cent in the last 10 years but arrests for drunkenness of people under 17 have increased at an annual rate of 15 per cent, more than triple the national average.

The blood alcohol level for a charge of drunken driving is one of the lowest in the world. Penalties are severe and the law is strictly enforced.

People who are deemed to have an "alcohol problem" are in effect forced to seek treatment leading to total abstinence. Social workers are required to investigate any report of alcohol problems, even anonymous telephone calls. If a person is deemed to be doing himself or others serious harm and refuses to seek treatment, the social worker may deny or cut off social benefits, take children into care and commit the person against his will to a state institution for "temperance therapy."

"We Swedes have a neurotic, inflated, ambivalent and guilty relationship to alcohol," says Dr Bo Lofgren, a leading therapist and writer. "When we drink, we do so chiefly to get intoxicated."

The Swedish Board of Health reports that there are tendencies "towards a continuation of adolescent patterns of drinking behaviour into adulthood."

It is fairly easy to see why Swedes have turned to drinking in private. Business and official meals are accompanied by mineral water and an innocuous "light beer," a kind of hops-flavoured soft drink.

Champagne is not available at the opera or ballet, and a pint of beer costs an average £2 in pubs and restaurants. Only 3 per cent of all liquor consumption is in public places.

Yet Swedes will queue sometimes for hours at weekends to get into the few licensed pubs where beer is ordered according to strength, not brand.

The proportion of abstainers has declined among men by 4 per cent to 8 per cent of the total population in the last 20 years and even more dramatically by 13 per cent to 15 per cent of the total women.

Liver cirrhosis deaths have climbed almost four-fold, while diagnoses of alcoholism have jumped by almost twice that amount. Officials estimate that around 4 per cent of the population has a "serious drinking problem."

But Swedes are reluctant openly to discuss drinking or to actively seek help if they have a problem, so the figures may not be accurate.

One reason is the legal requirement that institutional therapy must achieve total abstinence, an unrealistic and discouraging goal according to some therapists; another is the widely recognised danger of getting tangled in the net of the social work departments.

The social workers are powerful figures who disburse the benefits upon which every Swede depends to some degree.



Swedish opposition leader Ulf Andelsohn and aides celebrate his party's 1982 election gains with coffee and drinks... but in public life, mineral water is the normal tipple.

Their rights to impose penalties on recalcitrant alcohol problem sufferers is defended by Mr Paol Salus, a social office administrator in Gothenburg. "These people simply do not have the right to do as they please and have society as a whole pay the price," he said.

Mr Rune Gustafsson, an MP who is a former Minister of Social Affairs and a sponsor of temperance legislation says: "The total cost to society of these people is enormous, perhaps as high as SKr 60bn (£5bn) per year."

Mr Gustafsson believes that rationing is the only way to get at the major abusers. Teetotalers are heavily represented in the Riksdag (parliament) and calls for a return to the pre-1955 rationing system are frequent.

What Sweden's drink policy may have accomplished is to create a large network of illicit production, to elevate drinking to the status of "forbidden fruit," and to discourage problem drinkers from coming forward and seeking help.

"We are now so spoiled by big brother looking after us all the time," says Dr Lofgren "that we may have no natural defences left."

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- THE EUROMARKETS IN 1984 London, 6 & 7 March
- PENSIONS IN 1984 - A TIME FOR CHANGE London, 12 & 13 March
- THE SECOND AUTOMOTIVE MANUFACTURING CONFERENCE - TOOLS FOR COMPETITION London, 27 & 28 March
- MULTINATIONALS & EUROPEAN INTEGRATION London, 5 & 6 April
- EUROPEAN BANKING London, 11 & 12 April
- THE FINANCIAL TIMES WORLD GOLD CONFERENCE Hong Kong, 3 & 4 May
- SITTEV - FINANCIAL TIMES WORLD MOTOR CONFERENCE Geneva, 23 & 24 May

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OVERSEAS AND AMERICAN NEWS

Leading Israeli banker commits suicide

By DAVID LENNON IN TEL AVIV

MR YAACOV LEVINSON, an outstanding figure in Israeli banking and finance for more than a decade, committed suicide yesterday. In a suicide note he alleged that senior officials of Bank Hapoalim, the country's second largest bank, had hounded him to death.

The suicide of Mr Levinson, for 12 years Chairman of Bank Hapoalim, shocked the Israeli banking community which is still trying to recover from the turmoil over the October bank share crisis.

His death came a day after the police fraud squad began to study the results of a Bank Hapoalim internal investigation into alleged financial irregularities by Mr Levinson. The police said yesterday that the investigation will continue.

The allegations centred around the transfer of Bank Hapoalim assets of book value to Ampal, a U.S. investment subsidiary, which registered

them at their real value. The investigation also examined possible improper connections between Ampal and U.S. investments, a company registered in Delaware in 1982 by Mr Levinson.

The late banker consistently denied any wrongdoing. In the suicide note found in his home in Ramat Gan, a Tel Aviv suburb where he shot himself yesterday, he complained that he "can no longer bear the web of libel and degradation."

In his bitter last testament, Mr Levinson accused "the gang which spreads among those controlling the bank" of wanting to bury him.

"For the past year they have been secretly drinking my blood drop by drop... the person who is serving as Chairman of the Board of Bank Hapoalim told me several times, 'they want you under a marble slab.' They will not leave me alone under any circumstances,

because if they cannot prove my so-called crime and so-called mismanagement they will have to bear the consequences."

The gang, he wrote, "diligently weaves a web of lies... and now they are busy dividing up the spoils."

The Board of the bank met privately all day yesterday to discuss the impact of the suicide on the bank, but apart from expressing shock over his death made no further comment.

Mr Giora Gazit, who succeeded Mr Levinson as bank chairman, said last night that he and his colleagues had behaved as required by their public and corporate obligations, even though this was difficult and painful.

His brilliant if sometimes ruthless management of Bank Hapoalim turned it from a sleepy trade union bank into a giant banking enterprise which is rated among the 100 largest banks in the world. The 1982

consolidated balance sheet exceeded U.S.\$22bn.

After resigning the chairmanship of the bank in 1980, Mr Levinson served until recently as chairman of Ampal, the American Israel Corporation, a New York based bank Hapoalim subsidiary whose function is to mobilise capital in the U.S. for long-term investment in Israel.

Ten months ago Hovrat Ordvin, the Hladrut trade union federation which has controlling voting rights in Bank Hapoalim, appointed two bank directors to investigate the allegations about Mr Levinson.

Details of the investigation were revealed in a local magazine at the beginning of January, and the "Levinson affair" has been widely reported in the daily press ever since. There were many complaints yesterday that the press had hounded him mercilessly and calls were issued to tighten up Israel's very lax libel laws.

Asean 'hopes' on Indochina

By Chris Sherwell in Bandar Seri Begawan

SENIOR POLITICAL and military figures in the pro-western Association of South East Asian Nations (Asean) yesterday insisted that the six-member group remained united in its stand on Indochina. They expressed fresh hope for a break in the stalemate with Communist Vietnam over its five-year occupation of Kampuchea.

General Benny Murdani, Indonesia's powerful army commander, who recently held talks with his counterparts in Hanoi, said in Brunei that he had the impression Vietnam was stretched militarily by its presence in Kampuchea and that Hanoi might be "as eager as we are" to get out of the present dilemma.

Air Vice Marshal Siddhi Savetsila, Thailand's Foreign Minister, declared that Gen Ekanot's surprise visit to Hanoi did not mean that a rift was opening up within Asean.

Brazil debt arrears rise as squeeze on liquidity tightens

By ANDREW WHITLEY IN SAO PAULO

BRAZIL FACES a worsening liquidity squeeze as it anxiously awaits the release of \$3.4bn (£2.4bn) in loans due shortly from the International Monetary Fund and its foreign bank creditors.

Western bankers here say arrears on debt interest payments have climbed sharply since the end of last year, to reach unprecedented levels. The average delay on interest is now estimated at 130 days, with total foreign payments outstanding believed to be about \$4bn.

This means the Brazilian Government will almost certainly be unable, in the foreseeable future, to meet its promises to foreign creditors to end foreign exchange controls and ease up outstanding arrears.

The commitments, originally due to be met by the end of December, were contained in the country's third Letter of Intent to the IMF, signed last September.

The likelihood, bankers believe, is that the stranglehold on transfers abroad, contained in the central bank's Resolution 851 will be only partially relaxed. Some form of controls and a priority allocation system for foreign payments could well be maintained for the rest of the year.

As the IMF team visits Sao Paulo to complete its administrative process of signing the loan and a gap of eight to 10 days was expected between completion and the first disbursement.

planned disbursement of \$3bn out of the \$6.5bn jumbo loan signed with some 650 banks in January.

Officially, there is no link between the drawdown on this initial part of the jumbo and the next \$390m tranche due from the IMF in mid-March. But, in practice, the bank steering committee may want to wait for the outcome of the IMF's latest negotiations with the Brazilian Government before authorising the release of its funds.

Earlier this week, Sr Afonso Celso Pastore, the Brazilian Central Bank Governor, vigorously refuted a statement by the president of the state-owned Banco do Brasil that release of the much-needed, new foreign bank loans was informally linked to the current negotiations with the IMF.

The IMF's board is due to meet in the first half of March to consider Brazil's latest Letter of Intent—now in the final stages of being drafted—and its request for a "waiver" on the domestic targets it missed at the end of 1982.

Bankers on the advisory committee here are expected to head negotiations with Brazil say they now expect the first \$3bn tranche of the jumbo loan to be disbursed in mid-March.

It has taken longer than expected to complete the administrative process of signing the loan and a gap of eight to 10 days was expected between completion and the first disbursement.

Pressure grows to end Sikh violence

By John Elliott in New Delhi

BOMB BLASTS and shootings continued in the northern Indian states of Punjab and Haryana last night as the Government in New Delhi came under increased pressure on the opening day of its budget session in parliament to solve the region's sectarian problems.

More than 50 people have died in the area during the past ten days since Sikh extremists launched a fresh wave of violent protests against peace talks which briefly took place in New Delhi last week.

Many of the killings have been acts of revenge against groups involved in the violence that broke out last week when shootings spread from the Sikh areas of Punjab to Hindu groups in the neighbouring state of Haryana.

Yesterday began quietly with curfews continuing for part of the day in many areas. But last night there were reports of two deaths in shooting incidents and of two bomb blasts.

In New Delhi two opposition parties walked out of the opening session of the parliament. Both Mrs Indira Gandhi, Indian Prime Minister, and Mr Zail Singh, the President, have condemned the violence.

The Government is under some pressure to send police into the Golden Temple enclosure at Amritsar in the Punjab, which is a militant Sikh stronghold and a hideout for extremists. Mr Rajiv Gandhi, Mrs Gandhi's son and a General Secretary of her Congress Party, called earlier this week for police to be sent in.

Yesterday Sant Harchand Singh Longowal, Akali Dal president and a key moderate Sikh leader, said Mr Rajiv Gandhi's statement was "dangerous" and added fuel to the fire.

China and Britain end 'useful' session

CHINA and Britain ended their ninth round of talks on the future of Hong Kong yesterday, and scheduled their next session for March 16 and 17, Our Foreign Staff writes.

Repeating a formula which has become customary after negotiating sessions on Hong Kong, a joint statement said the talks were "useful and constructive."

The fact that the next session is only three weeks away, compared with the four-week gap between the January and February meetings, is being seen as a possible sign of acceleration

Non-oil foreign investment in China up

By MARK BAKER IN PEKING

INVESTMENT BY foreign companies in joint ventures in China more than doubled last year to about \$400m, according to official figures released yesterday.

An official of the Ministry for Foreign Economic Relations and Trade said about \$300m had been invested by Chinese and foreign firms in 182 joint ventures between 1979 — when China first permitted such investment — and last year.

It is known that most of the ventures involve about equal investment by both parties.

The official, who was not named, told an international legal seminar that 105 joint ventures had been approved last year with a total investment of \$515m.

The highest are a Belgian telephone equipment joint venture in Shanghai involving \$98m and the American Motors Corporation Peking Jeep joint venture involving \$61m.

The minister also said that between 1973 and 1981 China had signed 130 technological transfer contracts with foreign companies.

The transfer deals were mostly in energy and power generating equipment, electrical machinery and precision instruments. Some 20 of the contracts were signed with British companies.

The joint venture investment figures do not include investment by foreign companies in offshore oil exploration.

It is estimated that up to the middle of last year foreign oil companies had spent about \$400m on the offshore industry, compared with about \$4m spent by the Chinese.

Bush may seek early package from Japan

By Jurek Martin in Tokyo

The U.S. is believed to be considering dispatching its Vice-President, Mr George Bush, to Tokyo towards the end of April, presumably in an attempt to extract from Japan early concessions on outstanding commercial and financial disputes.

Should it take place, its timing would clearly reflect President Reagan's domestic political needs. Although trade friction with Japan is unlikely to be a major issue in the campaign, a Japanese concessionary "package" would at least provide the President with some response to Democratic charges

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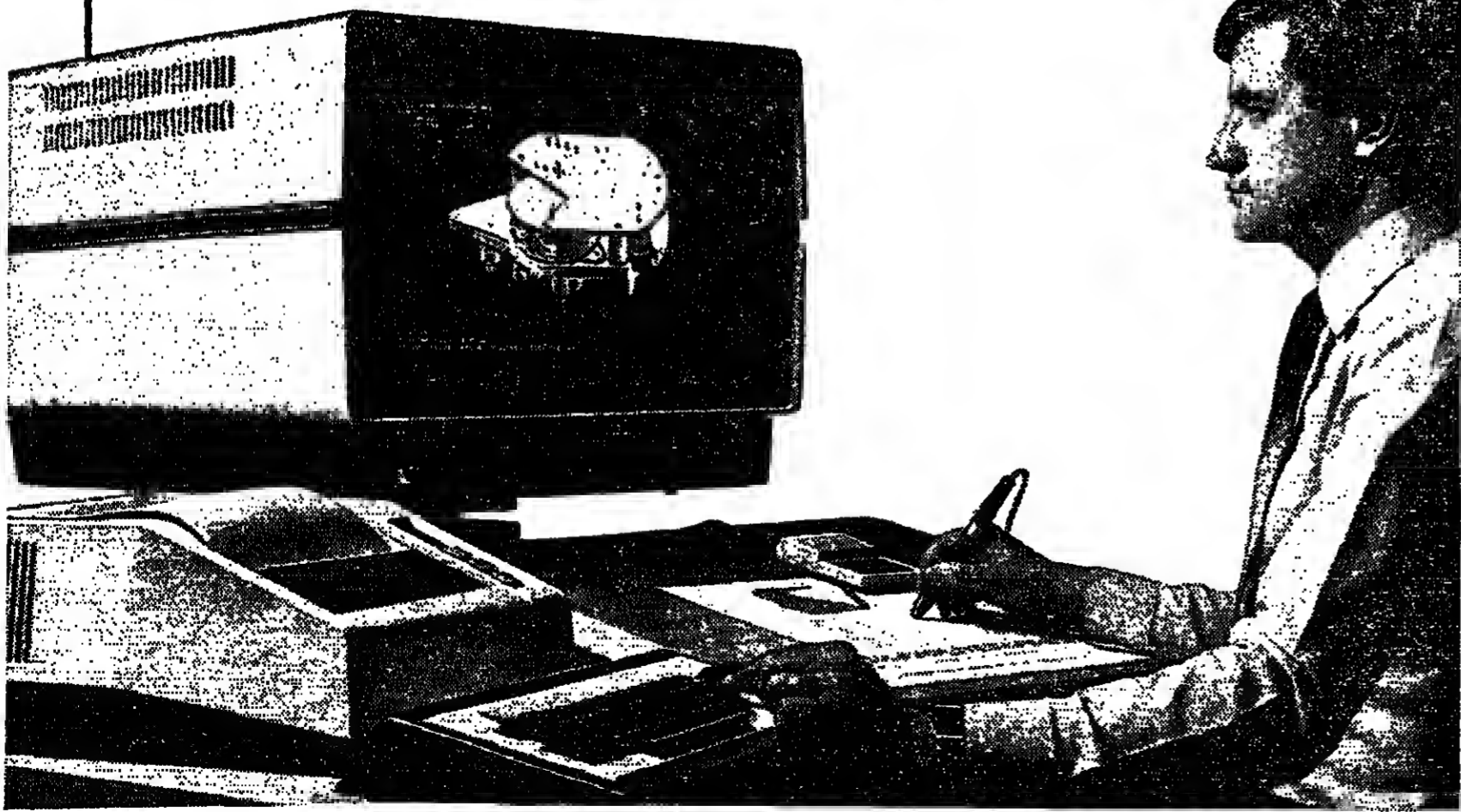
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Unitary tax repeal unlikely this year

By NANCY DUNNE IN WASHINGTON

THE FAILURE of the Reagan Administration's working group on unitary taxation to agree on a recommendation before the winter meeting of the National Governors' Association virtually ensures that there will be no action by the states to repeal controversial tax practice this year.

That consensus emerged in a meeting of federal, foreign, state and corporate officials assembled yesterday in Washington to discuss state taxation on the worldwide earnings of multinational corporations.

"Those opposed to worldwide unitary tax have been continuing on the working group — and more importantly the National Governors' Association — to present an attractive alternative to the states in time to influence their 1984 legislative deliberations," said Mr Martin Miller, chairman of state and federal associates.

That hope had been dashed, he said. Any solution presented by the working group would come too late in the year for action by most state legislatures.

Federal legislation to abolish the taxes is also a loser for the immediate future," said Mr James Rosapepe, a consultant with the multi-state tax commission. He insisted that a solution to the controversy would have to emerge from the working group, which he called "a model" that state, federal and corporate interests would use in the future as states struggled to deal with increasing international trade issues.

However, Mr Rosapepe warned there has been a vast over reaction within the corporate community to the spread of unitary taxation. "I would be flabbergasted if one additional state adopts unitary taxation this year. I would be surprised if one additional state adopts unitary taxation next year," he said.

Mr Alejandro Orfilla, Secretary General of the Organisation of American States, said the state governments were ignoring the international implications of unitary taxation at their own "peril."

"We are, all of us — state governments, national governments and private corporations — part of an international network of our own creation. I believe it is a very risky game we are playing when we assume there are no foreign policy implications in such a policy matter and that the concerns expressed by foreign-based multinational corporations and by the governments of our foreign trading partners are merely rhetoric," he said.



Sr Alejandro Orfilla

Approval for death penalty

By Stewart Fleming in Washington

THE U.S. Senate has approved by a vote of 63-32 a Bill which would restore the death penalty for major federal crimes such as treason or espionage. The attempted assassination of a president and murders in prison would be added to the list of crimes which can be punished by execution.

In a 1972 judgment the Supreme Court effectively made the death penalty unconstitutional. But since then, 38 states have rewritten their death penalty laws and there have been a dozen executions under various state laws in recent years.

Federal law has not been revised, however. The Senate move to undertake this task has fuelled the debate over capital punishment. The Bill must now go through the Republican-controlled Senate to the House of Representatives, where its future is unclear.

Grenada court charges 18 coup leaders

EIGHTEEN of Grenada's former political and military leaders have appeared in court to answer charges in connection with the bloody coup that led to a U.S.-led invasion last October. Reuters reports from St George's.

Former Deputy Prime Minister Bernard Coard and ex-army Commander Hudson Austin were charged, along with nine others, with conspiracy to murder.

Seven former soldiers of the disbanded People's Revolutionary Army were charged with the murder of Prime Minister Maurice Bishop, three of his ministers and four other officials during the coup.

Casualty figures in Kingston added: Members of the Caribbean peace-keeping force restrained an angry crowd chanting "murderer, murderer" as the accused were led to the court.

Swiss asked to supervise poll

NICARAGUA is seeking help from Swiss experts to supervise the drafting of its new constitution and the first elections to be held since the Sandinistas seized power in 1979, a Swiss newspaper reported yesterday, AP reports from Geneva.

The Tribune de Lausanne said the Nicaraguan Government has approached several Swiss experts on constitutional law for help with the drafting of a new constitution to be drawn up by an assembly.

The Swiss daily, quoting Nicaragua's permanent representative to the UN in Geneva, Sr Gustavo Adolfo Vargas, said: international observers would be invited to supervise the proceedings.

Congress set to reduce restrictions on ship owners

By PAUL TAYLOR IN NEW YORK

THE U.S. Congress has moved significantly closer to enacting new legislation which would greatly increase the shipping industry's immunity from anti-trust laws and ease the present restrictions on groups of competing Ocean Cargo Lines which get together in "conferences" to fix prices and co-ordinate sailing times.

The legislation, the first major U.S. Shipping Act for almost 70 years, cleared a House-Senate conference committee late on Wednesday and now appears almost certain to become law. The committee approval marks a major victory for the ship line owners. They had mounted

an extensive lobbying campaign to overcome critics who had argued that the broad anti-trust immunity provisions in the proposed legislation, known as the Shipping Act 1983, could lead to a variety of anti-competitive practices, such as artificially higher prices for customers.

While overseas governments do not regulate the international shipping conferences, U.S. case law, which has developed over the years, requires U.S. shipping lines to seek prior approval from the Federal Maritime Commission to enter into such rate-setting agreements. This process has sometimes taken up to three years to complete.

El Salvador death toll

By HUGH O'SHAUGHNESSY

SOME 9,000 were killed in the civil war in El Salvador last year, according to the non-government Legal Aid Office in its annual report to be presented to the UN Human Rights Commission in Geneva.

In military operations an estimated 4,900 died. The armed forces carried out 3,658 selective assassinations, the para-military "death squads" 1,596, and the guerrillas 67.

The activities of the death squads increased noticeably in the second half of the year.

The report concludes that the Salvadorean Government has failed in its duties under the Geneva Convention and has not controlled the death squads.

At the same time the Legal Office reports that Government forces last year were responsible for "persistent, grave and massive violations of human rights" at a greater level than in 1982.

The Office says the real number of deaths is higher than those notified in the report which is limited to well-documented cases.

WORLD TRADE NEWS

Austrian exports to Soviet Union up by 14.6%

BY PATRICK BLUM IN VIENNA

AUSTRIA'S exports to the Soviet Union last year rose by 14.8 per cent to Sch 10.8bn (£400m), reducing Austria's traditional deficit with Moscow from Sch 7.5bn in 1982 to Sch 4.1bn last year. Imports from the Soviet Union declined by 11.9 per cent to Sch 14.9bn, due mainly to a further decline in energy imports which account for over 80 per cent of Austria's imports from the Soviet Union. These fell by 14 per cent to Sch 12.4bn in 1983. Of Austria's exports to the Soviet Union, the largest share was semi-manufactures including iron and steel—up 18 per cent to Sch 5.4bn—followed by machinery including ships—up 3.5 per cent to Sch 2.6bn—and food and agricultural products up 68.5 per cent to Sch 680m, of which wheat alone accounted for Sch 300m—up 4,000 per cent compared with 1982. Austria's trade balance with Eastern Europe, including the Soviet Union, but excluding Yugoslavia and Albania, also improved. Exports were up 13.2 per cent to Sch 33.5bn, and imports were down 1.2 per cent to Sch 36.5bn, thereby reducing Austria's deficit with Eastern Europe by more than half. Imports from Eastern Europe represented 10.5 per cent of all imports, and exports 12.5 per cent of the total, excluding services. Exports to East Germany were worth Sch 6.3bn—an increase of 76.8 per cent on the previous year, due mainly to the delivery of an Austrian steel plant. Imports from East Germany fell by 7.7 per cent to Sch 2.7bn. Austrian exports to Hungary fell by 4.9 per cent to Sch 6.1bn while imports rose 24.8 per cent to Sch 8.9bn. The main exports were semi-manufactured goods mostly iron and steel (Sch 2.2bn), machinery (Sch 1.5bn) and chemicals (Sch 1.3bn). Czechoslovakia bought 41 per cent less Austrian goods, while it exported 1.2 per cent more to Austria. In contrast, Austrian exports to Poland rose by 36.5 per cent to Sch 3.1bn, and imports from Poland also rose 11.3 per cent to Sch 3.6bn. The biggest increase in Austrian exports to Poland was in food and agricultural products which went up 240 per cent to Sch 790m. Exports of machinery were also up 40 per cent to Sch 400m. Austrian exports to Bulgaria rose 24.5 per cent to Sch 2.6bn while imports fell 18.5 per cent to Sch 487m. Exports to Romania fell 38.2 per cent to Sch 1bn while imports rose 21.5 per cent to Sch 1.5bn. Austrian exports to Yugoslavia fell 7.4 per cent to Sch 7.2bn, while imports rose 18.5 per cent to Sch 4.5bn. The most important exports to Yugoslavia were also semi-manufactured goods and machinery.

Curb likely on robotic exports to Soviet bloc

BY DAVID BUCHAN AND CHRISTIAN TYLER IN LONDON

WESTERN industrial robot manufacturers will probably face new restrictions later this year on their sales to the Soviet bloc, as a result of recent meetings of officials from Nato countries and Japan in the Paris-based Coordinating Committee (CoCom). Mr William Archey, a U.S. deputy assistant secretary of commerce and chief administrator of export controls, said yesterday that CoCom, the alliance body which vets militarily sensitive technology

Montedison-USSR deal on specialty plastics plant

By Alan Friedman in Milan

MONTEDISON, Italy's chemicals giant, yesterday signed a letter of intent to furnish the Soviet Union with a specialty plastics plant. Sig Mario Schimberni, president of Montedison, said in Moscow yesterday that the contract would be worth between \$40m and \$50m.

Sig Schimberni returned to Milan last night after a three-day visit to Moscow, where he also agreed a programme of technological co-operation in a variety of fields, ranging from chemicals to telecommunications. Montedison has already supplied the Soviet Union with 37 chemical plants.

After meetings with Mr Nikolai Baibakov, head of the Gosplan state planning agency, and Mr Nikolai Komarov, Vice-Minister for Foreign Trade, Sig Schimberni said he expected significant progress in commercial relations between Italy and the USSR.

"I obtained more than I expected. The Soviet authorities have given a sign of their desire for collaboration with Montedison, which is also a sign of their willingness to increase commercial and political ties with Italy," he added.

Clark component deal with Mitsubishi

Clark Equipment said it had expanded its worldwide sourcing of components by signing a five-year agreement with Mitsubishi Heavy Industries, Mitsubishi Motor Corp and Mitsubishi Corp, Reuter reports from Battle Creek, Michigan.

Clark said the agreement provides for it to purchase gas- and diesel-powered engines and services through Mitsubishi.

It said the engines would be used in certain cushion and pneumatic tyre lift trucks manufactured in the United States, Europe and other overseas areas.

John Elliott in New Delhi on an ambitious push in the indigenous electronics industry

India plans hi-tech telecom development

THE INDIAN Government has decided to try to develop its own indigenous technology for manufacturing advanced electronics telecommunications equipment within the next four years, despite widespread international scepticism about whether this can be done.

The decision has been sparked by a growing determination for both prestige and economy reasons to prove that India can design and operate its own major technologies.

The government has been offered technological help by the British Government and by groups of Indian telecommunications experts living in the U.S., and it has authorised the immediate creation of a national centre for electronic switching to develop a pilot factory.

A recent cabinet decision to go ahead with the project coincides with the final stages of negotiations between the Government and Cit-Alcatel of France on the second of two controversial contracts setting up three electronic digital switching factories in various parts of the country.

These projects form part of a massive expansion of telecommunications in India aimed at transforming the country's chronically bad telephone communications which at present inhibit economic development and industrial efficiency.

so far when the French company beat several competitors including System X from the UK and an offer from Siemens of Germany whose government was convinced it would win the second stage of the work and allocated financial aid accordingly.

One illustration of the new approach is that Plessey of the UK, which has hoped for more than two years to win a rural exchanges contract worth over \$30m, has recently been told its offer will be considered alongside other international tenders.

In the large scale telecommunications switching field, the Department of Electronics has persuaded the Department of Communications to attempt to develop India's own digital switching technology for use in a fourth factory it wants to have in production by 1988, as well as importing the Cit-Alcatel technology from France.

The idea arose about a year ago, partly as a result of an approach by an Indian electronics engineer living in the U.S. to the Indian Government. The Government also intends to consider an offer of help

from the British Government based on GEC technology. The budget allocated for the new switching centre, however, is small at only \$35m for systems development. Officials near Lucknow. It is scheduled to start production next year and turn out 500,000 lines of switching equipment by 1989. Cit-Alcatel is now finalising negotiations and the French Government is concluding financial aid arrangements on a second contract for another large 500,000 line factory subject to approval from the Indian Government's public investment board.

The site is at Bangalore, India's traditional telephone industry centre where Cit-Alcatel had hoped to build the first factory before it was diverted to Uttar Pradesh. There have been problems in recent months over the price of this contract which is likely to be well above the \$60m to \$70m of the first factory although the total project cost will be lower because Bangalore is a developed industrial area.

Siemens of West Germany, still hopes to out-Cit-Alcatel, but it now seems assured that the development of India's digital trunk switching systems is in the hands of the French plus Indian engineers at home and abroad who will use other foreign expertise to help them prove India's eventual technological self reliance.

India wants to prove it can design and operate its own major technologies

The expansion is intended to transform the appalling telephone system

believe it may be sufficient if maximum use is made of the help offered and of relatively low-paid Indian software engineers.

A pilot production factory is to be set up on a site which will be chosen soon, but no final decision has yet been taken on the main factory's development.

In the meantime Cit-Alcatel is going ahead with contracts it has won. The first is worth about \$60m to \$70m for a new factory costing a total of about \$170m at Gonda. In an industrially backward part of the northern state of Uttar Pradesh

U.S. orders for Brown Boveri

By John Wicks in Zurich

THE SWISS parent company of the Brown Boveri group, has received two power-station orders from the U.S. worth a total of some SwFr 100m (£31.32m).

One of these involves replacement of all low-pressure internal of the turbine-generator set at the Rancho Seco power station operated by the Sacramento Municipal Utility District.

The second order has been placed by Commonwealth Edison of Chicago, and foresees replacement of the low-pressure rotors of the nuclear power stations Quad Cities 1 and 2 and Dresden 2 and 3.

Brown Boveri, which says the orders will be carried out primarily by the group's power generation division in Switzerland, has obtained the business although all the original installations were supplied by other manufacturers.

Japanese-U.S. talks on computer software copyright hit impasse

TOKYO—Japan-U.S. talks on computer software ended in a deadlock yesterday with American trade officials warning that the U.S. may retaliate if Japan enacts legislation stripping software of copyright protection.

Following discussions with the Ministry of International Trade and Industry (Mit), the Foreign Ministry, the Posts and Telecommunications Ministry, and the Agency for Cultural Affairs, U.S. participants said that if such a law were enacted, copyright protection might be revoked from Japanese software in the U.S.

They added that action may also be taken against Japanese sellers and developers of software. The dispute between the two countries centres on a software programme rights law prepared by Mit.

The Mit proposal calls for a software protection period of only 15 years, compared with 50 years in a revised Japanese copyright law and 75 years in

of the software industry and the public. Mr Yukiharu Kodama, the Mit's chief delegate to the high tech group conference, said: "We will draw up a software law draft by taking into consideration" the American views. He did not elaborate.

The meeting was also attended by representatives of the Cultural Affairs agency, which has already mapped out a bill revising the existing copyright law. It guarantees 50 years of protection for software, as for novels, movies and other creative works.

The deadline for submission of non-budgetary bills such as software legislation to the Diet (Parliament) is March 27. The Education Ministry's affiliate contends the revised copyright law can provide software with legal protection but Mit insists software does not fit into either the copyright law or the patent law.

The Americans also stressed that compulsory licensing in the Mit proposal was unnecessary while Mit officials termed their proposal as "arbitration" designed to serve the interests

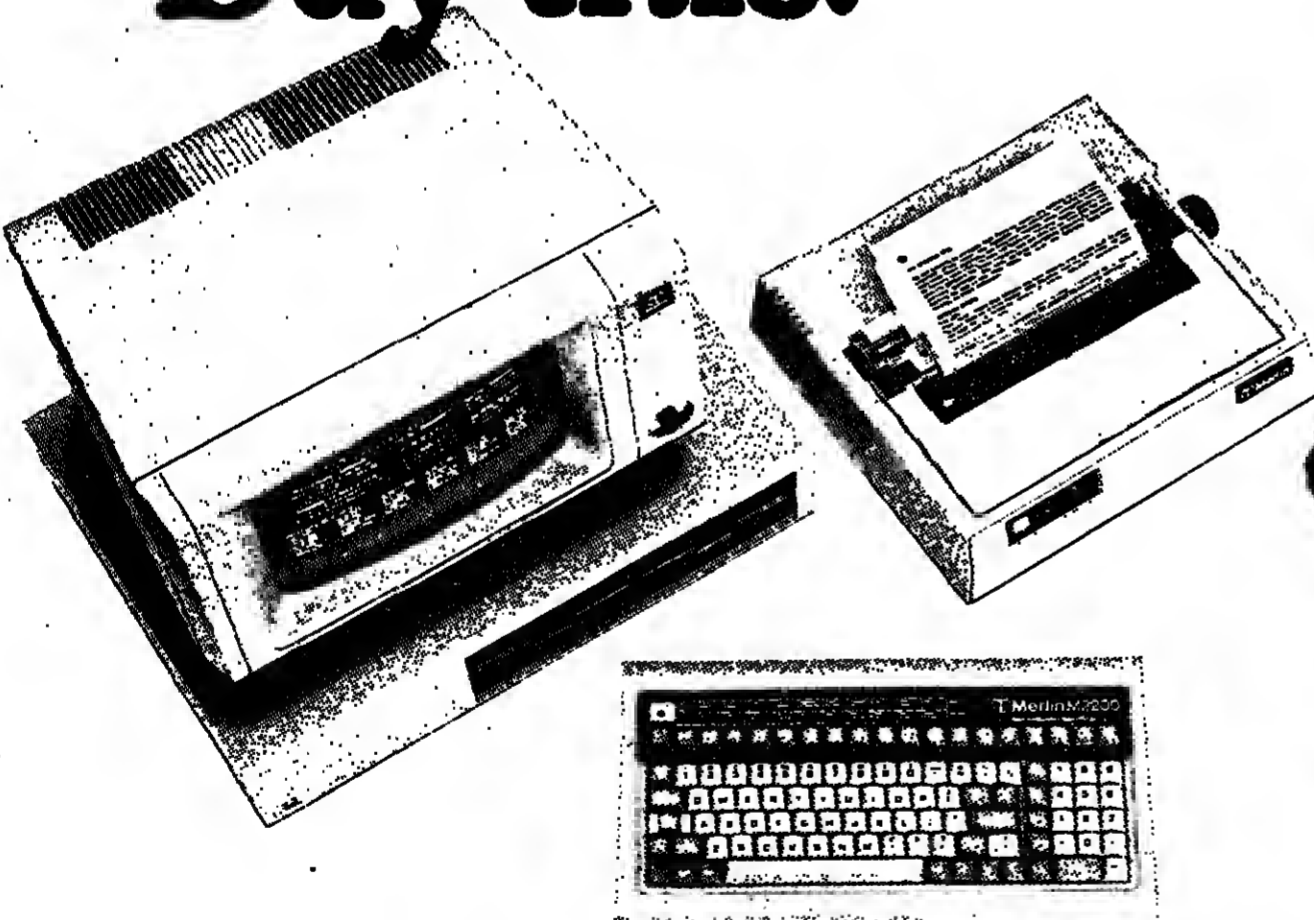
Honeywell to sell French software

PARIS—Honeywell Information Systems, a unit of Honeywell of the U.S., will sell videotex software developed by Groupe Francais d'Informatique in the U.S. market under an agreement announced this week in Paris.

Simultaneously, it was announced that Honeywell had placed an initial order for 2,500 Minitel, the low-cost, user-friendly videotex terminals already in wide use in France, from a division of Cit-Alcatel, a unit of the state-owned Cie Generale d'Electricite group.

The agreement with Groupe Francais d'Informatique involves a French videotex software package called Telesource. The overall package, which was derived from the flourishing Teletel programme was masterminded by the French post and telecommunications authority, will make available relatively cheap in-house videotex systems to American businesses. AP-DJ

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Pressure grows to end Sikh violence

Approval for death penalty

Greenland charges to swap leads

UK NEWS

Crown Agents told to prepare for public sale

BY DAVID DODWELL
THE GOVERNMENT yesterday announced a stay of execution for the Crown Agents, the 130-year-old organisation which procures goods and services for overseas governments.

A threat of abolition has been lifted. Instead, the Agents are under orders to become profitable by 1986 and to pave the way for privatisation some time after that.

The future of the Crown Agents has hung in the balance since July last year when it lost a contract to manage a £3.5bn investment portfolio for the oil-rich Sultanate of Brunei in South East Asia.

The loss stripped £4m a year from the Crown Agents earnings, and plunged it into the red. It threw away plans laid down by the Government in 1981 to achieve specific profit targets up to 1984, and forced the Agents to go cap in hand to the Government for the third time in a decade.

For nine months, various government departments have debated whether the Crown Agents ought to be abolished, bailed out, or privatised. Yesterday's announcement, by Mr Timothy Raison, the Minis-

New group formed to bid for Sealink

By Andrew Fisher, Shipping Correspondent

BIDDING interest in Sealink UK intensified yesterday with the announcement that a new consortium, including management, had been formed to make an offer for the British Rail ferry subsidiary.

It includes National Freight Consortium (NFC), itself the result of a buy-out by management and employees from the Government. If the offer succeeded, NFC would later combine with Sealink to form an enlarged international transport, freight and travel group.

Both Trafalgar House and Peninsular and Oriental Steam Navigation (P&O) have told the Government they are interested in Sealink when it soon comes to the market. The consortium's offer is, however, the only one to provide for management and employee participation. The formal sale document is expected early next month.

Charterhouse Japhet, the merchant bank, has assembled the consortium. Apart from NFC and the Sealink executive board, it includes Globe Investment Trust, Charterhouse J. Rothschild and the James Fisher shipping company.

U.S. growth expected to lead Europe's over next two years

BY ROBIN PAULEY

STRAINS in the U.S. economy, especially in the financial markets, must be expected to increase, according to the quarterly review of the world economy by the National Institute of Economic and Social Research. But it says that growth in the U.S. is still likely to outstrip that of Western Europe in both 1984 and 1985.

By the end of 1983, the North American recovery was slowing down but Western Europe - except France - was picking up, the institute says. It expects these trends to continue this year and next.

It forecasts overall growth in the Organisation for Economic Co-operation and Development (OECD) countries to be 3 1/2 per cent in 1984 and 2 1/2 to 3 per cent in 1985. A substantial contribution will come this year from investment, both in fixed assets and in stocks. Unemployment should fall further in North

America and may not change much in Western Europe.

"It seems fairly clear that no effective action to bring the [U.S.] budget deficit under control will be taken before the Presidential and Congressional elections, and probably thereafter," the institute says. It expects the widening of the trade deficit which the present over-valuation of the dollar seems to portend," the institute says.

It expects some depreciation of the dollar in the second half of 1984, particularly against the yen, together with some increase in inflation and interest rates, the latter tending to slow down the rate of growth as recovery proceeds.

This could mean that the overall rise in consumer prices in the OECD area will again be about 5 1/2 per cent this year and slightly more in 1985. In Western Europe, how-

ever, inflation is expected to become progressively slower, with the wage-price spiral continuing to turn downwards.

The export prospects for developing countries are described as being reasonably good. They would probably wish or be constrained to reduce further their current deficits. But growth in their volume of exports should rise as the volume of world trade increases by 5 to 5 1/2 per cent in both 1984 and 1985.

Total unemployment in the OECD area levelled out during the first half of last year and fell quite fast during the second half, when continuing falls in North America ceased to be balanced by increases in Western Europe.

The National Institute's output forecasts imply that the falls in unemployment in North America should continue this year and next.

	GROWTH IN GDP (Percentage rise in volume, annual rate)							Total (weighted) Europe
	U.S.	Canada	Japan	France	West Germany	Italy	UK	
1983 (estimate)	3.3	3.0	3.0	0.5	1.2	-1.5	3.1	2.2
1984 (forecast)	5.0	5.0	4.0	0.3	2.5	1.5	2.2	3.4
1985 (forecast)	3.0	3.0	4.5	1.5	2.5	2.0	1.4	2.8

Stagnant business and 8% inflation forecast for 1985

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE BRITISH economy is likely to continue its moderate rate of growth this year but with some acceleration in the rate of inflation, the National Institute says. It has become more optimistic about the course of recovery this year since its last forecast in November.

Then, it was expecting very feeble growth in total output through the year, with a rise of only 1 per cent between the fourth quarter of 1983 and the fourth quarter of this year. Now, it is predicting growth of a little over 2 per cent in the period, which aligns its forecast for output this year more with that of the Treasury's November autumn statement.

The institute remains gloomy, however, about the prospects for reducing unemployment. It thinks that will rise from an underlying total of 2.9m last year to 3.2m in 1985.

It is also pessimistic about the prospects for 1985, which it thinks will be a year of stagnant business activity, accompanied by rising unemployment and an inflation rate reaching almost 8 per cent by the end of the year.

Mr Nigel Lawson, Chancellor of the Exchequer, is urged to give the economy a moderate stimulus in his budget next month. To prevent the forecast stagnation the institute says the budget should stimulate investment rather than consumer spending.

mates for Gross Domestic Product are on different bases. The institute continues to use the output measure of GDP, which it says probably gives the best indication of short-term trends. The Treasury uses the average of three different yardsticks - the output, income and expenditure measures.

The institute compares the recent recession and recovery phase with two other exceptionally deep recessions of the century - the one in the 1930s and the recession which followed the 1973-74 oil crisis.

It says the depression of 1929 lasted longer than the most recent recession, but recovery when it came was sharper in the earlier period, with a more rapid fall in unemployment and a relatively large pick-up in industrial output.

It also shows that in comparison with the business cycles between 1970 and 1974, and 1974 and 1979, the recovery of manufacturing investment has been much weaker in the recent recovery.

By the fourth quarter of 1984, the institute is forecasting that manufacturing investment will have recovered to only about 7 per cent of its level in the early part of 1979.

By contrast, in the summer of 1974, manufacturing investment had recovered to about 5 per cent above its level at the previous peak of activity in the latter part of 1970.

On prospects for inflation, the institute says that the rise in average earnings during the present wage round is expected to be only about 7 per cent, fractionally lower than the 7 1/2 per cent in the previous round.

A rise in inflation is expected to be started by a faster growth of import prices, which might lead to a mild price-wages spiral.

FORECASTS FOR UK ECONOMY
Annual percentage change
(Figures in brackets from November forecast)

	1983	1984	1985
Output	2.2 (2.2)	2.2 (2.2)	1.4 (1.0)
Consumer spending	3.2 (3.4)	2.9 (3.3)	1.3 (0.9)
Exports	1.4 (1.4)	4.5 (4.0)	3.1 (3.5)
Imports	1.1 (0.9)	0.5 (0.1)	2.7 (2.0)
Real wage (4 qtr)	5.1 (5.0)	6.3 (6.0)	7.3 (6.9)
Unemployment (annual %)	2.9 (2.9)	3.0 (3.1)	3.2 (3.2)
Current account balance (£bn)	2.0 (1.7)	1.4 (0.2)	2.2 (-0.4)
Public sector borrowing requirement (fiscal year £bn)	10.1 (9.9)	8.6 (10.7)	7.8 (10.2)

Industry investment starts to pick up

BY OUR ECONOMICS CORRESPONDENT

INVESTMENT by manufacturing industries dropped last year by 6.8 per cent. The figure includes assets leased from financial institutions, but total investment, taking in the construction, distribution and financial sectors is estimated to have risen by 2.8 per cent compared with 1982.

The figures, published by the Department of Trade and Industry, did show a rise in manufacturing investment of 4 per cent between the third and fourth quarters of last year, with a similar increase in the overall total.

This recent increase points towards the 7 per cent rise in manufacturing investment which the Confederation of British Industry, the employers' organisation, is predicting for this year on the basis of its most recent survey.

Separate official figures also out yesterday suggest that manufacturers started some modest rebuilding of stocks in the closing months of last year after a substantial run-down from the spring to late autumn.

Indications are that the manufacturing and distribution sectors reduced stocks by £360m last year compared with a cut of £1.1bn in 1982. In the final quarter of last year, however, the two sectors raised stocks by £270m.

INVESTMENT
(% of 1980 price)

	Manufacturing (including leased assets)	Construction, distribution and financial
1979	6.2	6.7
1980	7.3	6.5
1981	6.6	6.5
1982	6.5	6.4
1983	5.1	10.1

Japan renews car curbs

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE JAPANESE motor industry has agreed to continue the voluntary restraints which have restricted its share of Britain's car and light commercial vehicle market at under 11 per cent.

The undertaking was given at the latest of the bi-annual talks between the UK Society of Motor Manufacturers and Traders and the Japanese Automobile Manufacturers Association. The talks ended in London yesterday.

At the meeting, the UK industry forecast that car sales in Britain in 1984 will fall by over 2 per cent from 1.77m last year to 1.75m. This is slightly more optimistic than some company forecasts, which have suggested registrations might be below 1.7m this year.

The UK society predicted that sales of light commercial vehicles (under 3.5 tonnes gross weight) will rise from last year's 234,000 to between 215,000 and 220,000 in 1984.

Judgment reserved in Lloyd's case

By Raymond Hughes, Law Courts Correspondent

JUDGMENT was reserved yesterday in the High Court case in which Lloyd's, the London insurance market, is seeking a ruling on the extent of its disciplinary powers under the 1982 Lloyd's Act.

Mr Justice Neill said he would give his decision in about a week's time. He had been asked by Lloyd's to give judgment as soon as possible because of the effect that the outcome of the case will have on disciplinary proceedings against Lloyd's members.

Lloyd's has asked the court to hold that the Act, and the by-laws made under it, empower it to take disciplinary action over offences committed before January 5, 1983 when Lloyd's set up its new disciplinary process.

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Is an inland port with customs and excise facilities.

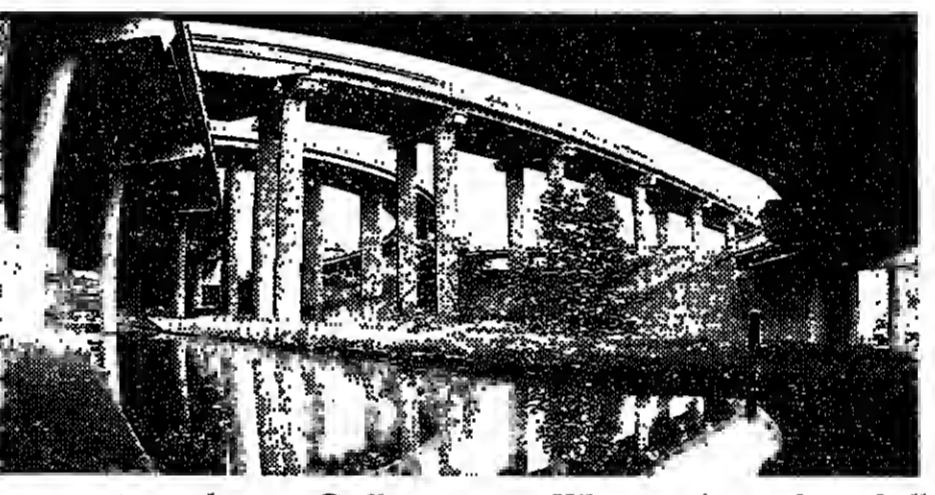


Has a total workforce of around 1/2 million with experience and skills in every type of industry.

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Has some of the best known



names in industry, Cadbury Schweppes, Austin Rover, HP Foods, T.I., Lucas, IMI, Dunlop & GEC.

Has one of the largest libraries in Europe offering a comprehensive information service to both industry and commerce.

Has two universities, a polytechnic, two TV studios and two radio stations.

Has the largest natural park in Britain with over 6,000 acres of parkland in all.

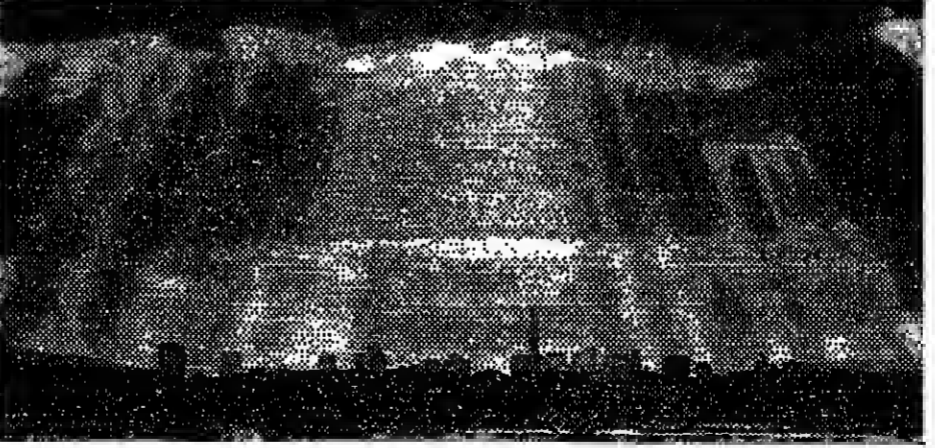
Has two First Division soccer teams, 50 golf courses including the headquarters of the PGA.

Has an internationally famous symphony orchestra, and several top class theatres including the Repertory, where such famous names as Lord Olivier and Albert Finney began their careers.

When you've evaluated all these facts, we think you'll agree there's no place in the country with greater potential for expanding, relocating or setting up your business than the New Birmingham.



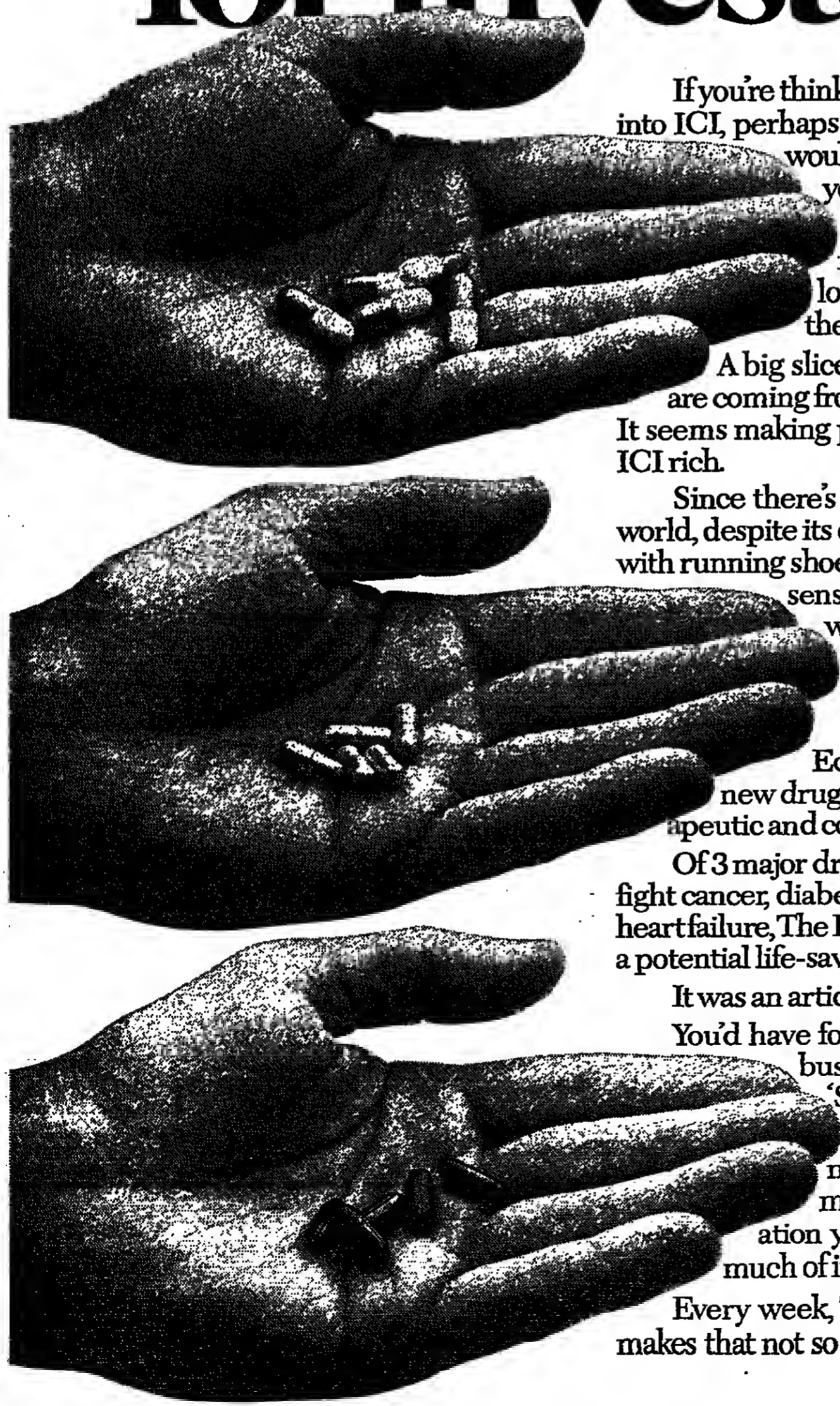
To find out more, contact us on 021-235 2222 (24 hrs.)



BIRMINGHAM—THE BIG HEART OF ENGLAND
City of Birmingham Development & Promotion Unit

Cancer. Heart failure. Blindness.

The Economist asks what the future has in store for investors in ICI.



If you're thinking of putting money into ICI, perhaps a chat with your doctor would be as useful as a trip to your stockbroker.

At the moment, the future of ICI's profits looks rather tied up with the future of mankind.

A big slice of their current profits are coming from drug sales in America. It seems making people better is making ICI rich.

Since there's little sign of a healthier world, despite its current preoccupation with running shoes and muesli, ICI are sensibly looking to the future with several interesting new drugs in research and development.

In a recent article, The Economist looked at these new drugs and analysed their therapeutic and commercial possibilities.

Of 3 major drugs being developed to fight cancer, diabetic blindness and heart failure, The Economist picked one as a potential life-saver and money-spinner.

It was an article you should have read. You'd have found it not amongst our business pages but under 'Science and Technology.'

Proof again (if it were needed) that with so much overlapping information you have to lap up as much of it as possible.

Every week, The Economist makes that not so much a task as a

pleasure. The writing is pithy, the punches rarely pulled and the coverage worldwide.

Even other journals find it easy to be enthusiastic:

"One need not agree with The Economist's views to admire the way they have been put. Good writing is its forte. On OPEC, for example:

'Hooray for the disarray in OPEC, and pray that it might be terminal. It probably won't be. False news of OPEC's impending death has erupted before as often as Mark Twain reckoned he gave up cigars.'

INTERNATIONAL HERALD TRIBUNE.

If we've tempted you to try The Economist we suggest trying it for more than one week.

It's often an acquired taste and that may mean acquiring three or four issues. (A small investment for the pleasure and information you'll get in return.)

Over the weeks, study the letterpages and compare them with other celebrated journals. (You may agree that our readers are not only more worldly but more witty.)

The book reviews will probably surprise you with their range and style.

The leaders will undoubtedly take some getting used to. They actually put forward ideas, solutions and opinions. They're often on the attack, seldom on the fence.

The fact is, there just isn't another publication that gives you such a global view of politics and business.

And happily, unlike most things that are good for you, this one is also nice to take.

The Economist

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inflation
for 1985

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TECHNOLOGY

U.K. WORKERS DEVELOP ISOLATION TECHNIQUES FOR ENZYMES

Hunt on for biological catalysts

BY IAN HAMILTON FAZEY

BIOCHEMISTS at Liverpool University have developed a new, faster technique for isolating, identifying and classifying the "tools" of genetic engineering.

The tools are restriction enzymes, or biological catalysts, which can snip out specific bits of genetic material from a DNA molecule, enabling other material to be inserted to promote processes such as cloning. They are obtained from bacteria and the new technique will enable Britain to operate a national screening system to find more of them from an ever-wider range of bugs.

The work of the Liverpool team, led by Dr Peter Dean, is

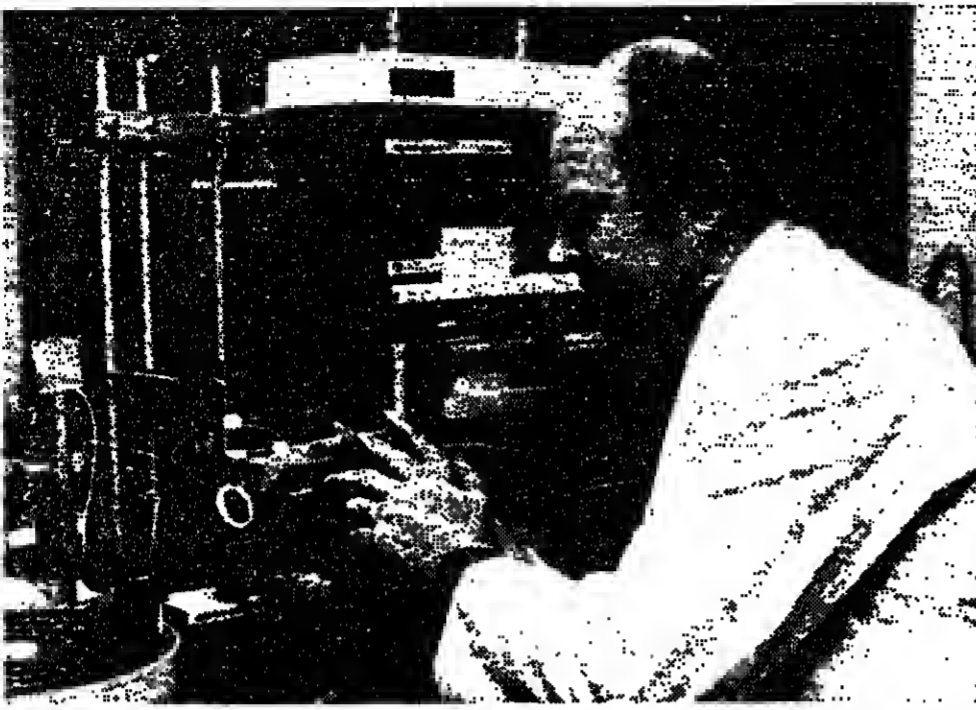
Half the output is exported

finding immediate applications in a local company, P & S Biochemicals. There Dr Eliseo Metcalf is putting the enzymes straight into production, using other techniques the team has developed. Dr Deano is a director of the company, in which he has a 20 per cent stake.

The company now offers a range of more than 40 restriction enzymes worldwide to drug companies, genetic engineers, other research workers and university teachers. Three years ago, the company's range had only four items. Sales staff, all highly qualified scientists, are now up from six to 20. Half the output is exported.

The new technique has been developed using £70,000 from the Wolfson Foundation and a "co-operative" award of £30,000 from the Medical Research Council. Co-operative awards are for collaborative projects between academic institutions and industry.

The money has funded em-



Dr Peter Dean shows the fast protein liquid chromatograph used in the purification of enzymes for research.

ployment of research staff and the purchase of a fast protein liquid chromatograph from Pharmacia, the Swedish drugs company. Normally, such machines are used as high performance ion exchange columns. The Liverpool team has adapted its machine for affinity chromatography — the field which Dr Dean pioneered as a means of obtaining pure enzymes for research.

Affinity chromatography works by putting chemical "baits" into a column of liquid, down which is poured whatever substance is to be

analysed. If there is an affinity between the bait and particular constituents of the substance under analysis, those constituents are drawn to the bait like iron filings to a magnet.

The trick that Dr Dean and his team had already mastered, was finding the right bait to isolate restriction enzymes from solutions of bacteria. In 1982, this led to the means by which an important enzyme called

Aha III could be isolated in commercial quantities from a blue-green alga that flourishes in the Sinai desert. Aha III's importance is that it can recog-

nise and snip out the pieces of genetic material that promote cloning.

What made the process laborious, however, was that it might take two days or more for the substance being analysed to travel down the column, with unstable or short-lived enzymes likely to be missed. Realistically, only three runs could be carried out per week.

The adapted Pharmacia machine pushes solutions down columns under four atmospheres' pressure. A controlling microprocessor spots any indications of unstable enzymes and

highlights them. Most important, however, it takes only 15 minutes to deal with each solution.

Dr Dean says: "People used to think there was no application for work I did. This machine does its job in 15 minutes now because of the 15 years I have put into this field."

The machine's speed has enabled Dr Dean to start setting up a national screening system whereby biochemists and biologists send likely cultures and samples for testing. The basis for this existed already but was hampered by the speed of testing.

A new enzyme, Rsr II, was discovered recently in sludge dredged from bed of the River Tamar. So far, scientists contributing material for the screen have been based in the universities of Aberystwyth, Lancaster, London, Cambridge and Bristol.

"People used to think there was no application for the work I did."

"They are scraping bugs out of Windermere or off dead shrimps or getting them from culture collections," Dr Dean says.

If a new restriction enzyme is found, the scientist who discovered it stands to get royalty payments. The enzymes sell for between 20p and £10 per unit, depending on rarity and demand. Since a unit is only one micro litre, commercial quantities need only be minuscule.

Dr Dean says: "Our only competition in supplying restriction enzymes on a large scale is in the U.S. and no one there can operate a screen as we can now. We are issuing a general invitation to microbiologists to co-operate with us so that we can find more new enzymes."

EQUIPMENT

Portable offices

THE LATEST keyboard/screen/processor product from Compu-corp is described by the company as "The Portable Office." At a total weight of 25 lb for the "transportable" is, the company agrees, a little more accurate.

Nevertheless, the nine inch screen housing (9 x 8 x 12.5 in) and the computer unit (12 x 8 x 10.5 in complete with double floppy drive), are certainly compact and easy to carry about. The keyboard on the other hand is in fully fledged professional form, with no attempt (wisely) at miniaturisation.

The whole thing packs into a bag and could certainly be taken home in the car with ease for work at night or over the weekend.

Compu-corp has called the machine Omegamite and has designed it to be both a workstation on the company's local area network and a high performance stand-alone machine for word processing and personal computing.

Omegamite normally runs the CP/M operating system, giving access to a wide range of published software. But it is optionally available in 16 bit mode with MS/DOS, giving compatibility with the IBM per-

sonal computer and much of the software written to operate with it. But users can have both if desired, with 8/16 bit option and dual processing.

Apart from the existing Omega word-processing software, the machine can also run a new spreadsheet called Multicall which, according to Compu-corp consultant Winston Fate, has already saved "a well-known bank" about £25,000. The spreadsheet package costs £350.

The company has also introduced an office automation notebook processor, the OAS200, based on the 68000 micro and able to work either as a network server or a time-sharing computer.

As a file server, the OAS200 can provide filing, mailing and printing facilities for up to 64 intelligent workstations from Compu-corp's range. It is also possible for other wide or local area networks to be easily integrated — without application software changes.

In addition, the OAS200 can act as fast, multi-user, multi-tasking time-shared business computer with up to 32 terminals and peripherals connected via RS 232C ports. More on 01-607 0188.

Israel shows its expertise

THE TROUBLES that continually beset Israel have had one positive aspect in that it has encouraged the country to develop high technology skills in electronics, computing, aerospace medical technology and biotechnology.

Towards the end of May, Israel intends to show off its technology to about 800 senior executives of foreign companies in the hope of attracting more investment and ventures in the country.

The conference with the somewhat long title: "Moving into the 21st Century: Israel High Technology" is being run in

parallel with two exhibitions: one of information technology; the other, called Isra-tech, is a general technology exhibition in Tel Aviv.

Israel has about 30,000 scientists and engineers which is a very high percentage of the 4m population. Industry and academics are encouraged to work together as all the universities have advanced science parks.

This has led to Israel becoming one of the leaders in medical technology with equipment such as surgical lasers, heart pacemakers, diagnostic scanning systems and has a strong industry in telecommunications.

Sanitation

Pigeons holed

IN MANY major cities, particularly in London, efforts to remove the pigeon pest is a losing battle. Apart from causing a health hazard, they deface buildings. Pigeons in cities are only a temporary respite as the birds eventually return when cities wear off.

Now a company called Hughes & Hughes says that it has come up with a gel, aptly named Pestigo, which repels pigeons for a long length of time.

Pestigo is described as a multipurpose repellent and will also deal with cockroaches, beetles and ants. It is not washed away or affected by water and the company says that it can also be used as a waterproofing agent. More details on 01-720 85544.

Photography

Films

EASTMAN Kodak has introduced a family of contracting and duplicating films that can be handled in white light. The company says that results from the films are comparable with diachrom films.

The QCF and QDF films come in four different versions and do not need any special exposure arrangements or equipment.



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The number of tasks being performed by computers goes up all the time.

Computers themselves, unfortunately, all go down from time to time.

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But when your computer is used to service your clients directly the effect is disastrous.

It's little comfort for someone to be told that the computer will be back on-line at nine in the morning when his plane to Bahrain leaves at nine that night.

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NETWORKING

Flexible connections

NETWORK SYSTEMS of Minneapolis has formally announced its lower level (10 million bits per second, Mb/s.) local area networking system, Hyperbus, in the UK. It has also revealed that it is developing a very high capacity system (275 Mb/sec) called Datapipe, using optical fibre.

The company was one of the first to offer a system for the connection of mainframes and minicomputers of different makes at 50 Mb/s. That was called Hyperchannel and launched in 1977 in the U.S.

The announcement of the two new systems above and below this in capacity means that Network Systems will be able to connect a wide range of micro, mini and mainframe machines and associated peripherals, from many manufacturers.

Hyperbus is a multi-drop coaxial cable-based system which will link mixed vendor high speed terminals, personal computers, and computer-aided design and manufacturing (CAD/CAM) and other high performance sub-systems.

Hyperbus is based on the International Standards Organisation (ISO) seven layer model which lays down how computers should be able to communicate with each other in future.

NS has tackled the problem with individual make "bus interface units" which are microprocessor-based and are connected between the computer or other device and the coaxial cable. To date, the company can cope with 18 manufacturers.

The interface units for RS232 applications are typical. Designated B100/200, these interconnect local and remote, asynchronous and synchronous RS232C terminal equipment and host communications ports via the Hyperbus. There are similar units (B300) to interface IBM 3270 terminals and controllers.

Richard Joyce, product manager in the UK, believes the 3270 application "will be of great interest to IBM users." Because the interface units appear as terminals to the terminal controllers, and as controllers to the terminals, units can be placed as needed on the bus. High performance operation is achieved with the use of a single coaxial cable run. Joyce says that "many more" 3270 terminals can be added without performance degradation "and without creating a cabling nightmare."

Larger networks can be created by connecting several Hyperbus cables via special local link interface units.

Hyperbus has been on a U.S. General Electric test site since 1981 and has been continuously upgraded. There are now 35 users in the U.S.

The software that drives Hyperbus is called Netex (abbreviated from network executive). Netex enables any two application programs in any two separate computers to communicate with each other, irrespective of the particular host operating systems. It allows such applications as file transfer, job transfer, and transaction processing. More in the UK on 0990 23399.

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THE ARTS

Cinema/John Pym

Cold comfort from the past



Matt Dillon and Diane Lane in 'Rumble Fish'

The Big Chill, directed by Lawrence Kasdan... Rumble Fish, directed by Francis Ford Coppola... To Be Or Not To Be, directed by Alan Johnson...

A small circle of friends, college students at Ann Arbor, Michigan, during the turbulent sixties, forgather 15-odd years on at the southern mansion of two of their number...

The picture is peopled with types—the impotent Vietnam veteran; the TV star embarrassed by his ludicrous image; the shoe salesman...

Nevertheless, Kasdan has first-hand experience of winning populist formulae, and while The Big Chill lacks the sheer wallop of, say, his Riders of the Lost Ark...

But the mixture is on the whole half-catch. Nothing much occurs, the abstract frieze is never more than a drawing-together device...

Kasdan and his co-writer Barbara Benedek regard their characters with an urbane empathy...

Douglas Young's ensemble Dreamtiger this month celebrated the 80th anniversary of the birth of the Italian composer Luigi Dallapiccola...

are the same old jokes—they don't somehow wear thin in the retelling. He chiefly rings the change by finding different directors, different sorts of films to parody...

The remake lacks the topical urgency of the original, which came out when the fate of the Nazis was by no means settled, but it does have a sort of modern outrageous shock value...

The film has a fevered, doomed intensity and makes excellent, surprising use of irony, surrealism, allegory, iron fire escapes and several desolate Oklahoma locations...

intensely dramatic text from the Chant de Roland. The later (1948) Quattro liriche are lighter and more delicate, but also exceptionally slight...

De Sarante's playing elsewhere was the evening's delight. His full, richly vibrant tone and the Purrell Room are not ideally suited...

Arts Week

F S Su M Tu W Th 24 25 26 27 28 29 1

Opera and Ballet

PARIS

La Fanciulla del Telegi. A three-act ballet, choreography by Roland Petit, music by Marcel Landowski...

LONDON

Master Class (Old Vic): Timothy West as Stalin confronting Shostakovich and Prokofiev with charges of degeneracy...

WEST GERMANY

Berlin. Deutsche Oper: Premiering this month is a Jean-Pierre Ponnelle production of Fidelio, controversially conducted by Daniel Barenboim...

ITALY

Milano: Teatro Alla Scala: Wagner's Tannhäuser conducted by Gustav Kuhn (not Freire, as announced at beginning of season) with Ramon Goldberg...

HOLLAND

The Netherlands Opera performs La Vie Parisienne by Offenbach in the Amsterdam Staatstheatergebouw...

NEW YORK

Metropolitan Opera (Opera House): The week includes the last seasonal performances of the new production of Rinaldo and Stravinsky with Natalia Makarova...

WASHINGTON

New York City Ballet (Opera House): A fortnight's visit covers the range of the ballet's repertoire, beginning with Serenade, Symphony in C and a local premiere of Glass Pieces...

THEATRE

LONDON

Off To Buffalo with the appropriately breezy by a large chorus line, (5779020) Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen...

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically felicitous...

WEST GERMANY

Berlin. Deutsche Oper: Premiering this month is a Jean-Pierre Ponnelle production of Fidelio, controversially conducted by Daniel Barenboim...

ITALY

Milano: Palazzo Della Permanente: Oskar Kokoschka (1906-1924) drawings and watercolours. Ends March 11.

HOLLAND

An extensive collection by the Dutch artist Bram Bogart from 1951 to 1980 is on view at the Museum Boymans-Van Beuningen, Rotterdam...

BRUSSELS

Musée d'Art et d'Histoire: Reconstruction of the chamber of the Bulls of the Lacaux Grottoes, closed to the public through fear of damage and pollution affecting the drawings. Until April.

PARIS

Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries...

MUSIC

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Patricia Wise soprano, Thomas Moser tenor, Simon Estes bass baritone...

WASHINGTON

Vienna Philharmonic (Concert Hall): Leopold Stokowski conducting, Mozart (Schubert), Kennedy Center (2543776).

CHICAGO

Orchestra Hall: Members of the Chicago Symphony, Henry Mazur conducting, Richard Graff piano, Brahms, Geršwin, Goffe (Mozart), P.D.Q. Bach, Prof. Peter Schickel conducting, Schickel, Beethoven (Tue), (4338122).

BRUSSELS

National Opera Symphony Orchestra conducted by Gian Franco Xasini with Mousset Caballe, soprano, Ernesto Palencia, tenor and Malcolm King, bass...

VIENNA

Lieder and Duets with Christa Ludwig and Walter Berry, piano Erik Werba, Schubert, Wolf, Mahler and Dvorak, Konzerthaus, Grosser Saal (Thu), (731211).

ZURICH

Tonhalle: Chamber music soiree. Haydn (Mon); Tonhalle Orchestra conducted by Christoph Eschenbach with Justus Frantz, piano, Brahms and Bartok. (Tue, Wed and Thur).

PARIS

Ensemble Orchestral de Paris conducted by Jacques Mercier, Augustin Dumay, violin; Rouseil, Saint-Saens, Bizet (Tue), Salle Gaveau (5832030).

EXHIBITIONS

WEST GERMANY

München, Kunsthalle Edgar Degas. The most comprehensive Degas exhibition ever shown in the Federal Republic...

HOLLAND

An extensive collection by the Dutch artist Bram Bogart from 1951 to 1980 is on view at the Museum Boymans-Van Beuningen, Rotterdam...

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Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries...

ITALY

Milano: Palazzo Della Permanente: Oskar Kokoschka (1906-1924) drawings and watercolours. Ends March 11.

HOLLAND

An extensive collection by the Dutch artist Bram Bogart from 1951 to 1980 is on view at the Museum Boymans-Van Beuningen, Rotterdam...

BRUSSELS

Musée d'Art et d'Histoire: Reconstruction of the chamber of the Bulls of the Lacaux Grottoes, closed to the public through fear of damage and pollution affecting the drawings. Until April.

PARIS

Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries...

Snow Report

Table with columns for location and snow conditions. Includes entries for Andermatt (Sw), Grindelwald (Sw), Gstaad (Sw), and others.

Figures indicate snow depths at top and bottom stations.

Dainippon Screen Mfg. Co., Ltd.

4% DM Convertible Bear Bonds of 1979/1987 - Security Index Number 464 462 -

Adjustment of Conversion Price

The Board of Directors adopted the following resolution on February 16, 1984:

Free share distribution at a ratio of 10:1 to shareholders registered on March 31, 1984

As a result of this capital increase the previous conversion price of Yen 719.80 for the convertible bonds will be adjusted in accordance with the Terms of Issue.

On behalf of Dainippon Screen Mfg. Co., Ltd. BAYERISCHE VEREINSBANK Aktiengesellschaft

BASE LENDING RATES

Table listing various banks and their lending rates. Includes entries for A.R.N. Bank, Allied Irish Bank, Amro Bank, etc.

POLITICS TODAY

The British road to Rome

By Malcolm Rutherford

SOMETHING VERY important has happened in British politics since the last general election. The country has come to terms with Europe.

A terrible irony about the timing of the conversion

It is right now? The answer to that question is tantalisingly open. Possibly the next few weeks, certainly the next few months, should tell.

ence identity within Nato, be suggested, ought to be taken out of their separate boxes. And Mr Neil Kinnock, the leader of the Labour Party, called in his article in the New Socialist for a new Messina Conference to "reclarify our ideas about the important problems of our time."

Letters to the Editor

From Mr J. Bradstreet, Sir, "Britain's definition of an industrial building" is eagerly awaited by industrialists and the property industry, for on it hangs their liability to pay rates on empty property.



Mr Neil Kinnock, the Labour leader.

own right. The electorate will be asked not only to cast a ritual or a random vote for a relatively remote Parliament. It will be asked as well to give a view on policy towards Europe.

which would impose a limit on their own net contribution to the Community. If those latter problems can be resolved, the British Government will agree to an increase in the Community's financial resources and the Community can move on to deal more seriously with the question of the admission of Spain and Portugal, and possibly of Turkey thereafter.

to be ratified by Parliament and some MPs, even on the Tory side, are becoming a little suspicious. The Government has also moved rather more than might have been expected towards accepting the agricultural policy, provided there is a price limit.

A bust-up might still be very popular in Britain

It would produce an upset so dramatic that a settlement would almost certainly be found in the end, just as it was in the days of de Gaulle. There is, meanwhile, rather more to Mr Kinnock's proposals than meets the eye.

in compromise still further or to go for the big bang solution. A hint of the latter was given by Mr Malcolm Rifkind, a rising star of Mrs Thatcher's administration, in the Commons debate on Monday: "I recollect," he said, "how in the late 1960s, France under General de Gaulle was so anxious to protect its vital interests, as it saw them that it withdrew from the Council of Ministers for seven months, without anyone trying to question its basic commitment to the Community."

Defining a building

From Mr J. Bradstreet, Sir, "Britain's definition of an industrial building" is eagerly awaited by industrialists and the property industry, for on it hangs their liability to pay rates on empty property.

Lombard The Reagan-style industrial policy

By Terry Dodsworth in New York

IN THE forthcoming presidential election campaign, the Democratic Party may well be successful in forcing the present administration onto the defensive over industrial policy. Yet the Reagan Government has itself presided over some far-reaching structural changes in industry which many economists believe were long overdue.

If you're about to invest in a pension plan make sure it's the best on the market.

Table titled 'Pension Plan Results' showing investment growth for five funds: HAMBRO, NATIONAL PROVIDENT, EQUITABLE, ABBEY Equity, and M & G. Each fund shows 'Value of Fund' and 'Amount Invested' at the start and end of a 5-year period.

Advertisement for Target Pension Plan. Includes text about tax advantages, selection of the best plan, and a form to request more information. The form asks for Name, Age, Occupation, Address, Postcode, Business tel. no., and Fax.

Defining a building

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Rise in tobacco taxation

From the Director, Action on Smoking and Health, Sir, "The UK cigarette market, Mr David Churchill, your Consumer Affairs Correspondent, refers to 'the heavy increases in duty imposed on the cigarette sales drive'."

Letters to the Editor

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Nobody said thank you

From the Chairman, Trade Union Side Office, Driver and Vehicle Licensing Centre, Sir, "It was very encouraging to read your Transport Correspondent's article (February 11) about the considerable improvement which the Department of Transport had in enforcing vehicle excise duty during 1983."

Research into investment managers' selection skills

Former there must be an under-performer. All we can say is that of those we have analysed, a small number appear to have statistically significant stock selection skills.

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mass circulation FAG

FINANCIAL TIMES

Friday February 24 1984

BELL'S SCOTCH WHISKY BELL'S

ALTERNATIVE SUPPLIES COULD OFFSET EFFECT OF A GULF CLOSURE

High stocks temper oil fears

By Richard Johns in London

JUST BEFORE IRAN launched its latest offensive against Iraq...

The deepest well ever drilled in the North Sea was described yesterday as a "very expensive failure..."

The physical loss of supplies, however, could be made up from other sources and from stocks...

The simple arithmetic may look alarming, especially when comparisons are made with previous crises...

In the last quarter of 1973, when the Arab oil embargo was imposed...

half the oil lost through a closure of the Strait. The other difference is a much higher level of stocks...

Stocks in the OECD countries tallied 80 days of forward consumption at the start of 1984...

In this period, the proportion held by governments (mainly the U.S. and Japan) had increased from three to 15 days...

Nevertheless, Gulf Oil estimates that stocks overall could be reduced by 50 per cent...

For the consuming world, the main danger is that initial disruption to distribution, slow release of

CLOSURE OF THE STRAIT OF HORMUZ

Table with 2 columns: Potential supply disruption (mb/d) and Potential supply replacement. Includes Saudi Arabia, Iran, Kuwait, etc.

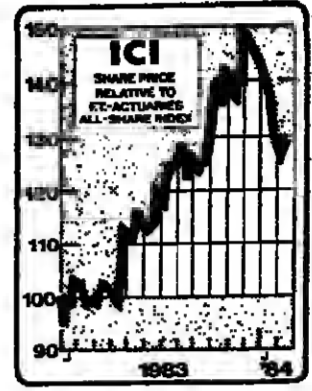
stocks and a "psychosis" of shortage might lead to soaring spot prices...

The Organisation of Petroleum Exporting Countries (Opec) at least now understands the continuing underlying weakness of the market...

THE LEX COLUMN

Societies lose an endowment

Britain's building society movement has for years been the belle of the Government Broker's ball...



very largely, of Tenormin's success. Agrochemicals have exemplified ICI's rejuvenation...

all interest burden by issuing low coupon stocks and buying in higher coupons which so encouraged the societies to indulge the trading habits...

With little more major retrenchment anticipated and every sign in the current quarter of a continuing recovery in demand...

Israelis step up air strikes on Lebanon

By Patrick Cockburn in Beirut

ISRAELI aircraft bombed targets in the Lebanese-held territory South-east of Beirut yesterday...

Israelis said it had bombed two buildings used by guerrillas and a gun position, but while this was the third Israeli air strike...

In Beirut fighting and shelling along the Green Line...

In the west of the city, the mainly Moslem Sixth Brigade of the Lebanese Army...

There is little sign of the diplomatic stalemate being broken in meetings yesterday...

During the last major Iranian offensive near Basra in July 1982...

Syria is demanding that Lebanon abrogate its May 17 agreement with Israel...

President Gemayel is being criticised by both Christian and Moslem leaders for his isolation...

Moslem units of the Lebanese army meanwhile began pulling out of Beirut...

The final evacuation of the U.S. marines seems likely to take place over the next few days...

The ability of the two confederations to control wildcat drivers acting on their own initiative looked

Iran telex played key role in steel row

By Peter Bruce in London

A STRONGLY-WORDED telex message from Tehran barring Korf Engineering, which is based in Düsseldorf...

Kobe Steel said on Tuesday that it had won a \$182m contract to build the plant, using the specialised Midrex direct reduction technology...

The Kobe order is for five direct reduction modules - which simplify the production of iron...

of adventurism by the U.S. or any other power would endanger all the interests of the West in the region.

Richard Johns adds: The oil market continued to show little expectation of a major disruption of supplies as a result of Iran's intensified offensive.

Gulf crudes showed a marginal gain as some refiners sought to cover short positions.

UK Foreign Office Minister, discussed the question at the French Foreign Ministry yesterday...

Paul Cheseright adds from Brussels: The French transport blockade and the crisis on the Franco-Italian border...

Mr Wall Street again responded to the solid economic news with something less than enthusiasm.

The markets do not seem to have been encouraged either by the renewed efforts underway in Washington to reach a political compromise...

Yesterday, representatives of the Administration and Republican and Democratic political leaders met for the second time to discuss the President's \$100bn deficit-cutting "down payment" plan.

Continued from Page 1

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Mr Ali Akbar Velayati, Iran's Foreign Minister, reacted yesterday to President Ronald Reagan's pledge on Wednesday night to keep open the oil supply route through the Strait of Hormuz.

The Government has not decided, however, whether the FFR 8m compensation fund set up to indemnify drivers facing losses through involuntary delays would apply to foreigners.

Continued from Page 1

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Iran claims major advance

Continued from Page 1

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Continued from Page 1

Baldrige sees U.S. expansion

By Stewart Fleming in Washington

MR Malcolm Baldrige, the U.S. Commerce Department Secretary, claimed yesterday that the U.S. economy had now passed the stage of recovery from recession and was "in an expansion."

His comments followed the release of figures for new orders for durable goods, which jumped 1.1 per cent in January...

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Continued from Page 1

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MARCHWIEL PLC

Year ended 31st October

Table with 3 columns: 1983, 1982, and 1981. Rows include Turnover, Profit before Tax, Profit after Tax, etc.

* Another record year with both turnover and profit before tax at their highest ever levels.

* The Group is in a very strong position and views the future with confidence.

* For the fourth successive year the Directors recommend an increased ordinary dividend, now covered 3.6 times.

* Shareholders' Funds in excess of £78 million.

* Liquid Resources in excess of £36 million.

The Sir Alfred McAlpine Group

Copies of the full Statement and the Chairman's Report will be available from the Secretary, Hooton, South Wirral, Cheshire L66 7ND, after March 9th.

World Weather

Table with 3 columns: Location, Temperature, and Wind. Includes London, New York, Sydney, etc.

Tax move hits gilts

Continued from Page 1

The Inland Revenue explained yesterday that it was "now advised" that gilt profits should be treated as trading profits.

The building societies were so anxious to sell their stocks last night because it appears that the new rules may mean that when the stocks are sold all the accrued capital gains will be taxed as income, regardless of when they were bought.

On average it is estimated that as much as 50 per cent of building societies' liquid funds are in gilt-edged securities.

Continued from Page 1

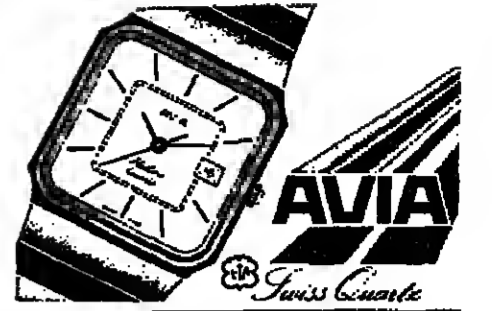
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Continued from Page 1



SECTION II - INTERNATIONAL COMPANIES
FINANCIAL TIMES

Friday February 24 1984

WOLSELEY HUGHES
 Central to Britain's heating
 Heating and Plumbing Merchants.
 Farm and Garden Machinery, Engineering, Plastics.

IBM delivery problems delay BT modernisation

BY GUY DE JONQUIERES IN LONDON

IBM IS discussing with British Telecom (BT) delays in the delivery of equipment which have slowed down a £35m (\$50.4m) BT programme to modernise 200 telephone exchanges.

BT said that IBM had delivered only a few of 100 electronic devices ordered almost two years ago, some of them prototypes. The re-equipment programme would probably not be completed until the end of this year, a year later than first planned.

IBM shares the £20m equipment contract equally with TMC, a British subsidiary of the Dutch Philips group. TMC said yesterday that it had delivered almost all of its equipment, some of which was already fully operational.

The devices are "black boxes" which will enable semi-electronic exchanges to offer many of the sophisticated customer services available on System X, the advanced digital exchange which will form the backbone of BT's future network.

The order was considered an important breakthrough for IBM, which has been pressing hard to expand into the European telecommunications markets from its base in computing. It has already won a large contract for West Germany's videotex information system -

which is also running behind schedule - and plans to launch an electronic banking network jointly with BT.

IBM confirmed that it was discussing a revised delivery schedule with BT. It expected to have its "black boxes" installed at all 100 exchanges by mid-summer, although they would probably not become fully operational for some time.

It said that the contract was the first of its kind IBM had ever undertaken and had required much special development work.

The timetable for the programme has already been revised at least once.

Biogen faces patents dispute

By Louise Kehoe in San Francisco

AN INTERNATIONAL patent dispute over what is expected to become the first commercially significant product to emerge from the biotechnology industry arose on Wednesday when Biogen, a Swiss company, claimed that it had obtained the world's first patent for a specific product made by gene-splicing. The Biogen claim was immediately challenged by Geentech of California.

Biogen, founded by Nobel prize-winning biologist Dr Walter Gilbert, said that it had received a European patent for alpha interferon, a protein that is believed to be potentially useful in the treatment of diseases ranging from the common cold to certain types of cancer.

"This is the first patent in America or Europe for a recombinant DNA product," said Dr Gilbert. "It covers all types of alpha interferon made by recombinant DNA techniques."

Geentech said, however, that it would challenge Biogen's European patent.

"There is a nine-month period during which patent awards can be challenged. Geentech, in association with Hoffman-La-Roche, which holds a licence to make the Geentech-developed alpha interferon, will raise such a challenge. We are very confident that our prior claim will succeed."

Geentech received an American patent for a "hybrid" alpha interferon last November and has also applied for a European patent.

The Biogen product has been licensed to the U.S. group Schering-Plough and will be sold in Europe late this year or nearly next year under the trade name Intron, according to Biogen.

Renault truck division loss jumps to FFr 1.9bn

BY PAUL BETTS IN PARIS

RENAULT Vehicules Industriels (RVI), the industrial vehicles subsidiary of the French state-owned Renault car group, lost FFr 1.9bn (\$229m) in 1983, more than doubling its FFr 746m loss of 1982.

But M Bernard Hanon, chairman of Renault, said yesterday the truck subsidiary had no intention of giving up ground to its competitors on the French market. "If necessary, we would be prepared to lose FFr 2bn again," he said.

M Hanon also confirmed yesterday that negotiations between Renault and International Harvester of the U.S. on rationalising the two companies' agricultural machinery business in Europe were continuing.

These discussions were expected to lead to a rationalisation of the groups' manufacturing activities.

However, M Hanon suggested that the two companies would re-

tain independent marketing and commercial networks.

For more than a year now, the French Government has been pressing for a rationalisation and restructuring of the troubled farm equipment sector around the Renault group. The Government is now expected to support the joint venture between the two groups with financial aid totalling up to FFr 1.5bn.

The Renault group's overall consolidated net loss for 1983 is expected to be a little lower than the commercial vehicle division's FFr 1.9bn deficit. This is because Renault's car operations continued to operate at a slim profit. M Hanon also said he expected Renault to return to profit in 1985 or 1986.

The truck loss reflects the fierce price discount war on the French market last year. M Hanon said yesterday he expected this price war to abate because Renault's for-

eign competitors had realised that the French group had no intention of giving up market share.

Renault's truck subsidiary saw its domestic market share decline from 45 per cent to 35 per cent last year. However, in the last few months, Renault has recovered up to 44 per cent of the home truck market, a Renault official said yesterday. M Hanon said he hoped RVI would regain its 45 per cent market share this year.

M Hanon's remarks came the day after Renault announced plans to cut 7,250 jobs this year - 3,750 in the truck subsidiary and 3,500 in the car division. M Hanon reaffirmed Renault's intention to avoid redundancies and rely on early retirements and other voluntary incentives to reduce its workforce. However, he acknowledged that in the case of the truck subsidiary there might be the need to make some "less voluntary" cuts.

Bloedel recovers sharply in quarter

By Nicholas Hirst in Toronto

MACMILLAN Bloedel, a Vancouver-based forest products group 49 per cent owned by Noranda mines, recovered sharply in the fourth quarter to produce net earnings for the year before extraordinary items of C\$2.8m (\$2.24m). The comparable loss for 1982 was C\$83.3m.

In the fourth quarter Macmillan Bloedel made C\$13.5m before a C\$4.3m extraordinary loss, against a loss of C\$37.3m in the comparable period.

The company began its recovery in the second quarter of the year on the back of sharply increased lumber prices following a pick up in U.S. housing starts, and with net earnings of C\$11.7m made its first quarterly profit, excluding extraordinary gains, since the second quarter of 1981.

But lumber prices dropped back sharply in the third quarter, leaving Macmillan with net income of only C\$690,000.

The company now says 1984 should see higher demand for all its products, including container board, newsprint, pulp and building materials.

Okobank net surplus rises

By Lance Keyworth in Helsinki

OKOBANK of Finland, the central bank for co-operative banks, reports a net profit for fiscal 1983 of FM 28.5m (\$5m at the current exchange rate), compared with FM 23m in 1982.

Mr Helg Laakso, the new president of Okobank, described the result as "very satisfactory."

A 9 per cent dividend will be maintained on the old shares, and 4.5 per cent will be paid out on the new shares issued in 1983 when the share capital was raised from FM 220m to FM 395m.

Alpargatas keeps in step with Brazil's footwear market

BY OUR SAO PAULO CORRESPONDENT

BRAZILIANS buy 100m pairs a year of what they call "Japanese sandals," a kind of sandal consisting of a rubber sole with a V-shaped plastic strap which the wearer slips between his toes. The poorest Brazilians may possess no other footwear at all, while the better-off happily wear them to the beach or use them as indoor slippers.

They sell for between \$1 and \$2 a pair, and more than half the country's overall production comes from the factories of one company: Sao Paulo Alpargatas.

Alpargatas started in 1907 as an offshoot of a British-owned Argentine company of the same name. The Brazilian business was controlled by British shareholders until 1934, then by Argentine interests until 1948. Finally, in 1982, the Brazilian company bought out the last 9 per cent of its capital from the Argentine shareholders.

There are still vestiges, though,

Net profits at Sao Paulo Alpargatas fell by 40 per cent last year to Cr 12.75m (\$20.7m at the year's average exchange rate). Sales were \$479m.

The result would have been worse without several special factors in the fourth quarter, including stock profits and a good return on financial operations.

Alpargatas attributes the profits fall to a combination of declining sales, last year's steep rate of inflation and reduced profit margins in its textile division.

of the Argentine connection. "Alpargatas" is the Spanish, not the Portuguese, word for espadrilles, or rope-soled shoes, which were the company's only product in its early years.

Many of today's senior executives in Sao Paulo, including Mr Keith Bush, the president, started their careers in Buenos Aires. Mr Bush

was transferred to Sao Paulo in 1948, when the company still made espadrilles from canvas imported from Scotland.

From the humble espadrille, the company branched out in two directions. It started making its own canvas for the shoes, which led it, by stages, to become one of the country's biggest textile and clothing manufacturers.

Today it is the biggest single manufacturer of denim clothing. Mr Bush prefers not to reveal Alpargatas' precise share of the market but, including exports, the industry now produces 100m pairs of jeans a year and 250m other denim items such as skirts and shirts.

The other direction in which Alpargatas expanded was footwear. In addition to its Japanese sandals, it makes non-leather shoes of many kinds, mainly for the youth and sports markets.

Bell Group's interim profits up threefold

By Our Financial Staff

BELL GROUP, the West Australian master company of Mr Robert Holmes a Court, which is currently seeking - to raise its stake in Broken Hill Proprietary, last night announced a sharp rise in its net profits to A\$15.04m (US\$14.1m) from A\$5.02m for the six months ended December 31.

Earnings per share increased to 30 cents from 15.5 cents, or group turnover of A\$238.15m against A\$228.08m. An unchanged interim dividend of 5 cents will be paid on May 24.

Tax paid last year rose to A\$6.98m, against A\$3.93m the previous year. Interest charges fell to A\$10.86m from A\$19.35m,

Swiss Bank expands in U.S. corporate broking

BY WILLIAM HALL IN NEW YORK

SWISS BANK Corporation is revamping its U.S. brokerage operation and integrating it more closely with its Loodoo investment bank in a move to penetrate the U.S. corporate market further.

The major Swiss bank announced yesterday that it was changing the name of Basle Securities Corporation to Swiss Bank Corporation International Securities and had hired Mr Guy Burgun from the London-based Orion Royal Bank to run the new operation.

Founded in 1989, Basle Security Corporation's recent performance has been overshadowed by that of its sister institution in London. Swiss Bank Corporation International, which was founded in 1980

and has become the major factor in the Eurocapital market.

Swiss Bank Corporation is establishing a corporate finance team in its U.S. brokerage arm and expanding its staff by more than a quarter, in a move to capture an increased share of the U.S. companies tapping the Euromarket. Until now this business has been done largely by the group's London and Swiss operations.

Swiss Bank Corporation International (SBCI) is to be the trademark for the Swiss group's worldwide capital market activities. Mr Burgun is to be a director of the London operation and the two firms will have six common directors.

Pepsico may sell transport business

BY PAUL TAYLOR IN NEW YORK

PEPSICO, the U.S. soft drinks and food group, is considering selling its transport business, which includes North American Van Lines, a leading household goods mover, and Lee Way Motor Freight, an interstate freight carrier.

The company said that several potential buyers had expressed an

interest but that no negotiations were in progress.

Last year Pepsico's transport business group accounted for \$730.4m or about 9 per cent of the group's total revenues of \$7.9bn and \$17.7m, or about 3 per cent, of its \$634.7m total operating profits for the year.

Until recently, Pepsico's transport business had been hard hit by the recession and fierce price competition in the U.S. trucking industry. But the latest full year results reflected a modest improvement with revenues up 6.1 per cent and operating profits 18.4 per cent ahead.

Wells Fargo sues Citibank over deposit

By Our New York Staff

THE SINGAPORE subsidiary of Wells Fargo bank of the U.S. has sued Citibank in a New York federal court to recover more than \$2m in deposits which have been frozen in Citibank's Philippines branch in Manila.

The suit, filed by Wells Fargo Asia, also seeks an unspecified amount of interest. The move brings to a head a row over the dollar deposits which Citibank says it is unable to repay because of foreign exchange restrictions recently introduced by the debt-ridden Government of President Ferdinand Marcos.

Citibank has not revealed the total amount of frozen deposits in its Manila branch, although some bankers have suggested that they could be around \$350m while others have put the total at over \$1bn.

Citibank yesterday declined to comment on the move. Earlier this year it defended its position, saying that repaying the deposits would put its Manila branch in breach of local law.

"In this instance the failure does not constitute a breach for which either the branch or the institution as a whole is responsible," Citicorp said in its earlier statement.

The Wells Fargo Asia suit covers two \$1m deposits made last June which were both due to mature last December.

NL dividend cut from 25 to 5 cents

By Our New York Staff

NL INDUSTRIES, one of the major U.S. oil service groups, has cut its quarterly dividend by four fifths as evidence mounts that the recovery in the U.S. oil industry will be slower than many had expected.

The New York-based group, which recently reported a net loss of \$188.8m on revenues of \$1.4bn in 1983, will cut its dividend from 25 cents a share to 5 cents to holders of record on March 15. It is payable on March 30.

NL said that the dividend adjustment was "consistent with NL's expectations of a more gradual petroleum service industry recovery from currently depressed levels." The company's action will improve its cash flow and balance sheet position.

NL Industries is the first major oil industry service company to slash its dividend and its action indicates that the hoped-for recovery will be delayed.

Oil services companies, which provide supplies for oil drilling activities, had taken encouragement from the upturn in drilling activity from last April's low point.

NEW ISSUES February 23, 1984

FNMA FEDERAL NATIONAL MORTGAGE ASSOCIATION

\$250,000,000
11.25% Debentures
 Dated February 28, 1984 Due March 10, 1987
 Series SM-1987-S Cusip No. 313586 QA 0
 Non-Callable
Price 100%

\$150,000,000
12.00% Debentures
 Dated February 28, 1984 Due March 11, 1991
 Series SM-1991-B Cusip No. 313586 QB 8
 Non-Callable
Price 100%

\$250,000,000
12.65% Debentures
 Dated February 28, 1984 Due March 10, 2014
 Series SM-2014-A Cusip No. 313586 QC 6
 Callable on or after March 10, 1994
Price 99.875%

The debentures are the obligations of the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States, and are issued under the authority contained in Section 304(f)(1) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.).

This offering is made by the Federal National Mortgage Association through its Senior Vice President-Finance and Treasurer with the assistance of a nationwide Selling Group of recognized dealers in securities.

Debentures will be available in Book-Entry form only. There will be no definitive securities offered.

John J. Meehan
 Senior Vice President-Finance and Treasurer
 100 Wall Street, New York, N.Y. 10005

This announcement appears as a matter of record only.

This announcement appears as a matter of record only

INVESTCORP

Announces

The acquisition of a 50% freehold interest in
 515 South Figueroa Street, Los Angeles, California

for

US\$ 52,000,000

by

SOUTH FIGUEROA INVESTCORP LIMITED

The property is jointly owned with
 The Manufacturers Life Insurance Company

INVESTCORP arranged the acquisition and the
 private placement of shares in
 South Figueroa Investcorp Limited

ARABIAN INVESTMENT BANKING CORPORATION
 (INVESTCORP) E.C.

HEAD OFFICE
 INVESTCORP HOUSE
 PO Box 5340 Manama Bahrain
 Tel: 272049 Tlx: 9664 INCORP BN

LONDON REPRESENTATIVE OFFICE
 INVESTCORP HOUSE
 65 Brook Street London W1
 Tel: 01-629 6600 Tlx: 28430 INCORP G

INTL. COMPANIES & FINANCE

NOTICE OF REDEMPTION
International Harvester Overseas Capital Corporation
5% GUARANTEED DEBENTURES DUE 1986

NOTICE IS HEREBY GIVEN, that in accordance with the applicable provisions of the Indenture between International Harvester Overseas Capital Corporation and International Harvester Company...

Table with columns for 51000 Bearer Bonds with Prefix M, listing bond numbers and values.

The Debentures specified above, are to be redeemed for the said Sinking Fund at the office of the Principal Paying Agent of the Company...

Chicago Title and Trust Company, as Trustee

UBS lifts dividend on record results

By John Wicks in Zurich

UNION BANK OF SWITZERLAND (UBS), the country's largest bank, is proposing an increase in dividend from 20 to 22 per cent...

This follows a 15.6 per cent rise in net profits last year to SwFr 566m (\$231m) and an 8.3 per cent growth in the balance-sheet total to SwFr 115.1bn.

The rights issue involves the offer of 120,000 new bearer shares, 110,000 registered shares and 20,000 participation certificates...

Amfas repeats loss despite forecast of return to black

BY WALTER ELLIS IN AMSTERDAM

AMFAS, the Dutch insurance group which is being taken over by Nationale Nederlanden, the biggest Dutch insurer, suffered a net loss of about Fl68m (\$21m) last year, the same as in 1982.

For the first half of 1983, Amfas posted a net profit of Fl 3m. By late November, no further forecasts were given out, but, in spite of continuing losses in the troubled property division...

Weserhutte buys unit of Creusot Loire

By Jonathan Carr in Bonn

A LEADING West German manufacturer of mining and mechanical handling equipment, FEW Weserhütte (FEW) has acquired control of a French company in a move which it believes will greatly strengthen its international business generally.

FEW's chairman, Herr Peter Jungen, announced yesterday that his group had taken a controlling stake in Delatre-Levriez, a materials-handling subsidiary of the Creusot-Loire concern.

Delatre-Levriez's activities are being drawn into a new company of which FEW will hold 65 per cent and Creusot-Loire 35 per cent.

Fresh talks on Ambrosiano unit

BY ALAN FRIEDMAN IN MILAN

ISTITUTO BANCARIO San Paolo di Torino, one of Italy's largest banks, is understood to have held talks concerning the possible purchase of a majority stake in Credito Varesino, the Lombardy regional bank controlled by the Nuovo Banco Ambrosiano group.

Until recently it had been expected that Banca Cattolica would take control of Varesino, in what would have been largely an intra-group transaction.

Acquisition of Credito Varesino, which has more than 60 branches in the Piedmont region of Italy, would help San Paolo to consolidate its regional strength in Piedmont, Liguria and Lombardy.

Aside from San Paolo, at least one other of the seven 'pool' owners of Nuovo Ambrosiano is said to be interested, as are one or two American banks.

THE DUBLIN Gas Company has revealed details of its financing package to enable the company to take supplies of natural gas.

Dublin Gas finance plan

By Brendan Keenan in Dublin

Asian Development Bank £100,000,000 10 1/2 per cent. Loan Stock 2009 Issue price £87.918 per cent. S. G. Warburg & Co. Ltd. on behalf of Asian Development Bank 24th February, 1984

Lower interest rates give PKbanken a boost

BY DAVID BROWN IN STOCKHOLM

PKBANKEN, the large Swedish state-owned commercial bank, has reported a big leap in 1983 profitability helped by lower interest rates.

Astra profits surge 50%

By Our Stockholm Correspondent

ASTRA, the Swedish pharmaceuticals company, reports a 50 per cent rise in profits after financial items and expenses, to SKr 631m (\$79.7m), surpassing expectations.

Sharp gain for Privatbanken

By Our Copenhagen Correspondent

PRIVATBANKEN, Denmark's third largest commercial bank, reported record group net profit for last year of Dkr 1.31bn (\$135m) compared with Dkr 285m in 1982.

Porsche defends U.S. distribution plans

BY JOHN DAVIES IN STUTTGART

PORSCHE, the West German sports car maker, yesterday strongly defended its decision to set up its own computer-linked distribution centre in the U.S., but held out an olive branch to any dissatisfied U.S. car dealers.

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STAFFORDSHIRE Phone 0785 3121 Ext. 7370 for a direct link to our property advice service, now! Staffordshire Where ambitions are achieved!

HILL SAMUEL FINANCE B.V. US\$30,000,000 Floating Rate Notes due 1996 in accordance with the provisions of the Notes. NOTICE IS HEREBY GIVEN that for the interest period from 24th February, 1984 to 24th August, 1984 the Notes will carry a Rate of Interest of 10 1/2% per annum...

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT \$250,000,000 U.S. Dollar Floating Rate Notes Due February 1994 For the interest period 22nd February, 1984 to 31st May, 1984, the Notes will carry an interest rate of 9.6957% per annum...

U.S. \$50,000,000 Pirelli Financial Services Company N.V. (Incorporated with limited liability in the Netherlands Antilles) Guaranteed Floating Rate Notes due 1994 Unconditionally Guaranteed by PIRELLI Pirelli Société Générale S.A. (Incorporated with limited liability in Switzerland)

U.S. \$50,000,000 Pirelli Financial Services Company N.V. (Incorporated with limited liability in the Netherlands Antilles) Guaranteed Floating Rate Notes due 1994 Unconditionally Guaranteed by PIRELLI Pirelli Société Générale S.A. (Incorporated with limited liability in Switzerland)

ONO PHARMACEUTICAL CO., LTD. U.S. \$60,000,000 3 1/4 PER CENT. CONVERTIBLE BONDS DUE 1988 ISSUE PRICE 100 PER CENT. The Nikko Securities Co., (Europe) Ltd. Baring Brothers & Co., Limited Tokai International Limited Commerzbank Aktiengesellschaft Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Morgan Grenfell & Co. Limited Arab Banking Corporation (ABC) Banque de Neufville, Schlumberger, Mallet Kyowa Bank Nederland N.V. Nomura International Limited Banca del Gottardo James Capel & Co. Mitsubishi Finance International Limited Osakaya International (Europe) Limited Bank of Yokohama (Europe) S.A. Daiwa Bank (Capital Management) Ltd. Mitsui Finance Europe Limited Takugin International Bank (Europe) S.A.

INTL. COMPANIES & FINANCE

India's industrial feudalism under fire

BY JOHN ELLIOTT, SOUTH ASIA CORRESPONDENT, IN NEW DELHI

A FIELD MARSHAL, several senior industrialists and some retired top civil servants face the sack from the board of one of India's largest companies. This is the outcome of the latest round of a year-long battle over investments made in New Delhi by Mr Swraj Paul, an Indian-born industrialist who lives in London and controls the British Caparo group.

Mr Paul, a close confidante of Mrs Indira Gandhi, the Indian Prime Minister, has invested \$13m in two of India's most successful Delhi-based companies. Escorts makes tractors, motorcycles and other engineering products, while DCM (Delhi Cloth and General Mills) has diversified from textiles into areas such as electronics and automotive products.

The investments made from early last year have had wide ramifications. They have helped to undermine the credibility of a government scheme for investments by non-resident Indians and have raised questions about the role, reliability, and political independence of government-owned financial institutions, which hold 70 per cent of India's private sector companies.

They have also opened a debate about the often feudal style of management of family-controlled companies in a developing country unused to controversial take-overs.

The powers of patronage

enjoyed by those close to Mrs Gandhi have also been questioned. Allegations have been made that Mr Paul has been investing either Mrs Gandhi's own money or funds of her political party, Congress I. Mr Paul denies this.

The families controlling Escorts and DCM have refused to register Mr Paul's shares, alleging irregularities in the share purchases. They fear the motives and clout of a man so close to the centre of Delhi power as Mr Paul and are worried by his ability to upset their Aardoms.

Bitter battle

Mr Harry Nanda, the 67-year-old founder of Escorts, which he has built up to annual sales of \$250m and after-tax profits of \$12m, faces the risk of losing family control of his company. The battle between him and Mr Paul has become so bitter and personal that no compromise is in prospect. The Rama family, which controls DCM, has made the battle less personal and, it is widely believed in Delhi, may eventually come more easily to a compromise.

The story started a year ago after the Indian government introduced in its 1982 budget tax and other inducements to attract investments from Indians living abroad. These would help the country's developing country unused to controversial take-overs.

The powers of patronage

commercial bank deposits. Escorts and DCM decided to oppose Mr Paul, who then used his political and public relations clout to attack them and the Indian business establishment, which rose to their defence. But he failed to persuade the Indian government to force the financial institutions to make the companies register the shares.

The families controlled Escorts and DCM with small holdings.

Mr Harry Nanda only had about 6 per cent of Escort shares, although he can now count on 18 per cent or more to support him. Financial institutions hold 54 per cent (a figure which has failed to reduce with a proposed share issue and a merger with a subsidiary). Mr Paul owns 7.5 per cent.

In DCM, the financial institutions have 49 per cent, Mr Paul 13 per cent and the Rama family 18 to 20 per cent. But brothers of Mr Paul living in India, where they run the Apeejay group of industrial companies, have also bought between 1 and 3 per cent in each company.

At the end of December the situation was escalated by Mr Nanda who, fearing the government was about to order him to register the shares with a parliamentary ordinance, took the Reserve Bank of India to court, an unprecedented act. In return the Life Insurance Corporation acting it is believed on government orders, used its power as a major institutional shareholder to call an

extraordinary general meeting to oust the field marshal and his fellow non-executive directors, who include a former defence ministry secretary and comptroller general.

If the Bombay High Court decides next Tuesday there are cases to be answered on these issues the matter could drag on for months, if not years. This would probably suit Mr Nanda, who probably hopes that Mr Paul will tire of having \$13m tied up in unregistered shares. Mr Paul's influence might also wane if Mrs Gandhi emerges politically weaker from the next general election.

Codes of conduct

If the cases do not go ahead, the existing non-executive directors will be removed soon and replaced with institutional nominees who will presumably immediately register Mr Paul's shares, effectively giving him potential control. Mr Paul would then probably want his Calcutta-based brother, Mr Surrendra Paul, to become chairman, as he has at the North-East tea plantations bought by the family in 1980.

Maswaha industrialists are threatening to reduce their reliance on government-controlled institutions for finance whenever possible. And the government is considering introducing codes of conduct for company takeovers and for the powers and responsibilities of institutions.

Strong interest in HK issues

BY ROBERT COTTRELL IN HONG KONG

HONG KONG stockbrokers are confident that the latest local new share issue, by an electronics company called Elec and Etek (EE), will be heavily oversubscribed.

Their confidence is helped by the fact that a "grey market" is already quoting HK\$3 per EE share, compared with an issue price of HK\$2. EE does not issue its prospectus till February 23, and the offer does not close until March 2.

EE is the sixth new issue to come to the Hong Kong market since July last year, when Hong Kong began to recover from its equities collapse of late 1982. Apart from one TV station, all were industrial stocks, a sector back in fashion with local investors. All were priced on earnings multiples of just under seven. The five were between 3.6 and 24 times oversubscribed.

Two of Hong Kong's three major stock markets said that they wanted the HK\$225m (US\$22m) EE issue to be priced

relatively cheaply to ensure its popularity. Wardley and Jardine Fleming, merchant banking advisers to EE, both say they would have been happy to underwrite the issue at a higher price. Mr David So, chairman of EE, acknowledges that there were "arguments" about the pricing of the issue.

Brokers and merchant bankers say that some local stock exchange officials have been encouraging cheap pricing of new issues in order to bring investors into the market and assist the recovery. In doing so, the exchanges may have been stepping beyond their official duty, which is to ensure that there is sufficient public interest in a stock to justify its public listing.

There is general agreement, however, that the pricing-down of EE has been overdue. For the year to June 1984, EE forecasts net earnings of HK\$105m—more than double the HK\$40m achieved the year before, in turn almost double the

HK\$21m seen in the year to June 1982. Despite this record, it is going out on an earnings multiple of 4.4—cheaper than the 33 constituents of the Hang Seng Index which, according to stockbrokers De Zoete and Bevan, are trading on a prospective earnings multiple of around nine.

The EE offer comprises 90m new shares to be issued by the company, plus 22.5m shares to be sold by its founders—equivalent in total to 25 per cent of the company's enlarged share capital. At HK\$2 per share the offer will raise HK\$225m.

Good first half for Australian property group

By Michael Thompson-Noel in Sydney

LEND LEASE, the leading Australian property group, reported a 25.3 per cent improvement in interim net profit for the six months to December 31, to A\$16.9m (U.S.\$15.9m).

The interim dividend is a steady 3.75 cents a share, covered by earnings of 21.2 cents a share, against 17.8 cents a share previously.

There was an extraordinary gain of A\$10.7m, mostly attributable to a revaluation of its 49.7 per cent holding in the HLC group.

The gain was \$3.5m higher at A\$16.9m, while interest payments, rose 36 per cent to A\$2.6m.

● Elders IXL has advised shareholders of Carlton United Breweries that its original offer of six of its own shares plus A\$12.20 for every 10 fully paid CUB shares will close on February 27. Its alternative on market cash offer of A\$3.82 a share will remain open until March 27.

● Potter Partners, the Australian brokers, have dropped legal proceedings against the National Companies and Securities Commission, instituted after the watchdog agency had declared the firm's conduct "unacceptable" in connection with the takeover battle for Castlec Brewery last month. The NCSC, in an exchange of letters, has in effect withdrawn its complaint after being assured that Australian takeover rules will be amended.

Matsushita profits rise 16%

By Yoko Shibata in Tokyo

MATSUSHITA Electric Industrial, Japan's largest manufacturer of consumer electronic and electronic products, and its 83 consolidated subsidiaries lifted full year earnings by 16 per cent to Y182.7bn (\$783m), in the fiscal year ended November 20, 1983.

This reflects double digit sales growth both in video cassette recorders and office automation equipment.

Full year sales were Y3,988bn, up by 9 per cent from the previous year. Net profits per share were Y118.52, as compared with Y100.79 in the previous year.

Overseas sales were 10 per cent higher accounting for 46.6 per cent of total turnover, reflecting an improvement in overseas market conditions in the second half, particularly in the U.S.

Domestic sales advanced by 8 per cent to reach Y2,127.9bn. Sales of VCRs and colour TVs improved by 9 per cent to account for 36 per cent of the total turnover.

A significant improvement was reported in sales of communications and industrial equipment, up 27 per cent.

In the current year ending November 20, 1984, VCR sales both overseas and in the domestic market are expecting a boost in demand from Los Angeles Olympics.

New Issue February 24, 1984

All these Bonds having been sold, this announcement appears as a matter of record only.


Fuji International Finance (HK) Limited

DM 100,000,000
7 3/4% Bonds due 1992
guaranteed by
The Fuji Bank, Limited

WESTDEUTSCHE LANDESBANK GIRONZENTRALE	FUJI INTERNATIONAL FINANCE Limited
COMMERZBANK Aktiengesellschaft	CREDIT COMMERCIAL DE FRANCE
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S. G. WARBURG & CO. LTD.	YAMAICHI INTERNATIONAL (EUROPE) Limited

Banken Brunel Lambert S.A., Banque Indosuez, Bayerische Landesbank Girozentrale, Bayerische Vereinsbank Aktiengesellschaft, Berliner Handels- und Bank Aktiengesellschaft, Citicorp Capital Markets Group, Abu Dhabi Investment Company, Alahbi Bank (K.S.C.), Algemeine Bank Nederland N.V., Al-Mid Bank, Amro International Limited, Arab Banking Corporation (ABC), Asia Pacific Capital Corporation Limited, Julius Baier International Limited, Banca Commerciale Italiana, Banca del Gottardo, Banca Nazionale del Lavoro, Bank of America International Limited, Bank of China, Bankers Trust International Limited, Bank für Sozialwirtschaft Aktiengesellschaft, Bank Gutzwiller, Kurz, Buegener (Overseas) Limited, Banque Française du Commerce Extérieur, Banque Générale du Luxembourg S.A., Banque Internationale à Luxembourg S.A., Banque Nationale de Paris, Banque Populaire Suisse S.A. Luxembourg, Banque de l'Union Européenne, Banque Worms, Darling Brothers & Co., Limited, Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, Job. Hering, Goslar & Co., Berliner Bank Aktiengesellschaft, B.S.L. Underwriters Limited, Chase des Dépôts et Consignations, Chase Manhattan Capital Markets Group, Chase Manhattan Limited, Chemical Bank International Group, County Bank Limited, DG Bank, Deutsche Genossenschaftsbank, Goldman Sachs International Corp., Kuwait International Investment Co. S.A.K., Merrill Lynch Capital Markets, Samuel Montagu & Co. Limited, Morgan Guaranty Ltd, CIBC Limited, Continental Illinois Capital Markets Group, Copenhagen Handelsbank A/S, Creditanstalt-Bankverein, Credit Industriel et Commercial, Credit Lyonnais, Credito Italiano, Dava Europe Limited, Richard Dava & Co., Bankers, Den norske Creditbank, Deutsche Girozentrale - Deutsche Kommunalkasse - Domänin Securities Anstalt Limited, EFG International-Warburg Aktiengesellschaft, Enkelta Securities, Skandinaviska Enskilda Limited, Eurobiliar S.p.A., European Arab Bank, European Banking Company Limited, First Chicago Limited, Gendley Brundis Limited, Gulf International Bank B.S.C., Hambro Bank Limited, Handelsbank Aktiengesellschaft - Girozentrale, H.M. Samuel & Co. Limited, Istituto Bancario San Paolo di Torino, Kansai-Itoyama-Paniki, Kidder, Peabody International Limited, Koyanagi Securities Co. Ltd., Kredietbank N.V., Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.), Kuwait Investment Company (S.A.K.), Morgan Stanley International, Salomon Brothers International Limited, Société Générale, Svenska Handelsbanken Group, Swiss Bank Corporation International Limited, Union Bank of Switzerland (Securities) Limited, Yasuda Trust (Europe) Limited, Lavenderbank, Rheinland-Platz - Girozentrale - Loyde Bank International Limited, Manufacturers Hanover Limited, McClell Young Weir International Limited, Merck, Finck & Co., R. Metzger soel. Sohn & Co., Morgan Grenfell & Co. Limited, The National Bank of Kuwait S.A.K., New Japan Securities Europe Limited, The Nikko Securities Co. (Europe) Ltd., Nippon Kangyo Kakumaru (Europe) Limited, Norwa International Limited, Norddeutsche Landesbank Girozentrale, Oesterreichische Landesbank, Sal. Oppenheim Jr. & Cie., PK Christiania Bank (UK) Limited, Postbank, Privatbank A/S, N. M. Rothschild & Sons Limited, J. Henry Schroder Wagg & Co. Limited, Société Générale de Banque S.A., Swedbank, Trifinans & Bankhardt, Union Bank of Finland Ltd, Variana- und Westbank Aktiengesellschaft, M. M. Warburg-Brinckmann, Wirtz & Co., Westbank Aktiengesellschaft, Wood Gundy Limited, Yamane Securities (Europe) Ltd.

This announcement appears as a matter of record only.



AUSTRALIAN OIL REFINING PTY. LIMITED

A\$110,000,000

Asset Financing Facility

arranged by
Hambro Australia Limited

provided by
Commonwealth Trading Bank of Australia
National Australia Bank
Hambro Australia Limited

December 1983

Record sales at Asahi Glass

By Our Tokyo Correspondent

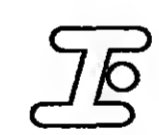
ASAHI GLASS reported record parent company sales and pre-tax profits in the fiscal year ended December 31 1983. Full year pre-tax profits surged by 14.6 per cent to reach a record Y46.53bn (\$189.5m). Full year net profits were 2 per cent higher at Y23.1bn, on sales of Y541.1bn, up by 7.2 per cent. Net profits per share were Y22.33, compared with Y22.05.

Glass sales, which account for 54 per cent of the total, increased by 7 per cent.

For the current fiscal year ending December 1984, Asahi Glass expects its full year pre-tax profits to reach Y50bn, a 7.4 per cent rise, and net profits to reach Y25bn, an 8.2 per cent rise. Full year sales are expected to rise 7.1 per cent to Y580bn.

These Notes have been sold. This announcement appears as a matter of record only.

New Issue January 1984



Die Erste österreichische Spar-Casse-Bank

First Austrian Bank
(Established in Austria with limited liability in 1819)

U.S. \$50,000,000
Subordinated Floating Rate Notes Due January 1992

Orion Royal Bank Limited

Bank of Tokyo International Limited	Kidder, Peabody International Limited
Chase Manhattan Capital Markets Group Chase Manhattan Limited	Morgan Stanley International
Credit Suisse First Boston Limited	Salomon Brothers International
Deutsche Bank Aktiengesellschaft	Standard Chartered Merchant Bank
Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft	Swiss Bank Corporation International Limited

All these securities have been sold. This announcement appears as a matter of record only.

\$100,000,000

REPUBLIC HEALTH CORPORATION

13 1/2% Subordinated Sinking Fund Debentures due 2004

Prudential-Bache Securities

February, 1984

U.S. \$25,000,000
Floating Rate Notes Due 1984

Banco Latinoamericano de Exportaciones S.



In accordance with the provisions of the Notes, notice is hereby given that the interest period from 24 February 1984 to 24 August 1984 the Notes will carry an interest rate of 10 1/2% per annum. The interest payable on the relevant interest payment date, 24 August 1984, against Coupon No. 10, will be US\$53.40.

Merrill Lynch International Bank Limited
Agent Bank


This announcement appears as a matter of record only.

THE NATIONAL COAL SUPPLY CORPORATION LTD.

(Incorporated in Israel with limited liability)

U.S. \$17,095,650
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UK COMPANY NEWS

Plessey up £23m at nine months

AN £8.61m advance to £43.87m in pre-tax profit for the third quarter ended December 30 1983 is reported by Plessey...

This gives a total profit of £124.6m for the 39 weeks ended that date, an increase of £22.8m over the corresponding period of the previous year...

At the end of 1983 the group order book stood at £1.35bn, net of intercompany contracts of £1.28bn for a year earlier...

Table with 2 columns: Nine months 1983, Nine months 1982. Rows include Turnover, Operating profit, etc.

Acorn Computer advances 156% despite £2.5m expansion costs

AFTER exceptional charges of £2.5m, relating to start-up costs in the U.S. and Germany, Acorn Computer Group achieved a 156 per cent increase in interim taxable profits from £2.04m to £5.21m...

Acorn, which went public via an offer for sale by tender on the USM last October, produced profits of £8.63m for the year ending July 3, 1983.

Aaronite on target with £0.63m

COMPARED WITH the prospectus forecast of not less than £800,000 pre-tax profits of Aaronite Group emerged at £834,000 for the year to October 31, 1983...

Howard Machinery recovers to £0.76m

FARM EQUIPMENT manufacturer Howard Machinery pushed its pre-tax profits up by £502,000 to £758,000 over the 12 months to October 31, 1983...

Nevertheless, the directors say that the group will be able to maintain the current levels of production of the BBC micro-computer during the second half of the year...

The current year has started with considerable activity. In the past, the winter months have been quiet for the group due to adverse weather conditions in the North Sea.

Foreign & Col. asset rise

Last year was another good period for Foreign & Colonial Investment Trust, the UK's oldest trust. The main contributory factors were an appreciation of 37 per cent by the Japanese portfolio and an effective gearing of 12 per cent...

ICI in 1983 Good profits recovery - dividend up

The Board of Directors of Imperial Chemical Industries PLC announce the following trading results of the Group for the year 1983, subject to completion of the audit, with comparative figures for 1982.

Trading Results for Year 1983. Table with columns for 1983 and 1982 in millions. Rows include Turnover, Chemicals, Oil, Total, Trading Profit, etc.

The improved pattern of trading continued throughout 1983. Sales and profit from the worldwide pharmaceuticals business increased substantially for the third successive year...

Tor Inv. interim increased

Little change is shown in the pre-tax revenue of Tor Investment Trust for the half year ended January 31 1984, with the figure coming out at £270,000 compared with £263,000 in the corresponding period...

Scottish Northern

The balance of debenture stock to be issued by Scottish Northern Investment Trust in payment for the acquisition of three private companies will not be part of a vendor placing, but will be held by the vendors.

BOARD MEETINGS. Table with columns for Company Name and Date. Rows include Anglo-Siam, Anglo-Siam, etc.

HOWARD MACHINERY PLC GROUP RESULTS FOR THE YEAR 31ST OCTOBER 1983. Recovery continues. Includes financial summary and notes.

Imperial Chemical Industries PLC. Includes the ICI logo and text about trading results for the first quarter 1984.

UK COMPANY NEWS

Saxon Oil foresees boost from Forties

AN OPERATING profit of £115,479, against a £167,899 loss, was earned by Saxon Oil in the six months ending December 1983. And, after interest, profits at the taxable level expanded from £88,377 to £429,911.

Decline in Abingworth net asset value to 315p midway

A DECLINE in net income from £157,109 to £144,515 has been shown by Abingworth for the six months to the end of 1983 compared with the six months to the end of June 1983.

BANK RETURN

Table with columns for Wednesday February 22 1984, Increase (+) or Decrease (-) for week, and various bank return metrics.

ISSUE DEPARTMENT

Table with columns for £ and £ and various issue department metrics.

NOTICE OF REDEMPTION

KUBOTA, LTD.

6 3/4% Convertible Debentures Due April 15, 1991

NOTICE IS HEREBY GIVEN to the Holders of the 6 3/4% Convertible Debentures Due April 15, 1991 (the "Debentures") of Kubota, Ltd., a Japanese corporation (the "Company")...

Vantona gains over 60% of F. Miller with £14m offer

Vantona Viyella, manufacturer of shirts, shirts and uniforms, yesterday emerged as the new bidder for F. Miller (Textiles). The product of a successful merger between Vantona Group and Carrington Viyella, the bidder has succeeded where last week Nottingham Manufacturing failed by offering two of its own shares, quoted at 215p after a 6p fall, for every nine Miller shares.

Ladbroke raises bid for Turf

Ladbroke Group, the book-makers, hotels and property company, yesterday increased the value of its bid for Turf Paradise, a race track operator of Phoenix, Arizona, by \$4.44m to \$23.17m (£15.3m) in an attempt to gain shareholders' support for its offer.

Emess forecasts £0.5m profits

Emess Lighting, the manufacturer and distributor of decorative light fittings, has forecast pre-tax profits of less than £510,000 in the year ended December 31, 1983 to back its £2.42m cash and share offer for Michael Black, the electrical goods distributor.

BIDS AND DEALS IN BRIEF

The revised agreed offer by Taddale Hotels Europe for the capital of Prince of Wales Hotels will now go ahead, and the offer document will be despatched as soon as possible. Taddale has waived the condition relating to the maintenance of existing bank facilities.

COMPANY NEWS IN BRIEF

WHILE SALES OF Hamar Textiles rose by 17.8 per cent to £9.08m, against £7.72m, profits of £1.1m were recorded. The directors say that current orders are substantial. These, together with marketing and service activities which have expanded on the back of a successful new product, promise "significant growth" in 1984.

Bougainville boosts its profits and dividend

Earnings for 1983 of the Rio Tinto-Zinc group's Bougainville copper and gold-producing operation in Papua New Guinea have advanced to \$54.7m (£44.3m from \$31.2m in 1982). An increased final dividend of \$ 8 (6.5p) makes a total for 1983 of 18 1/2p. For the previous year there was a single dividend only of 2.5p.

Strong first half at Renison

BETTER PERFORMANCES from all divisions, led by the mineral sands business of Associated Minerals Consolidated (AMC), lifted the Renison Goldfields Consolidated (RGC) to achieve a sharp rise in profits in the six months to the end of December.

Granville & Co. Limited

Table with columns for 1983-84, High/Low, Company, Price, Change, Div. (p.), Gross Yield, P/E, Fully Paid, and various company names.

Scottish Northern Investment Trust p.l.c.

Issue of up to £11 million 11 1/2 per cent Debenture Stock 2009. Application has been made to the Council of The Stock Exchange for the above Debentures to be admitted to the Official List.

WE THE LIMBLESS LOOK TO YOU FOR HELP

We come from both world wars. We come from Korea, Indo-China, Vietnam, Cyprus, Ulster and from the Falklands. Now disabled, we must look to you for help. Please help by becoming a member of the LIMBLESS Association.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

ON A cold, wet wintry Manchester day, looking out over empty, half-demolished docks and the grimy faces of now-silent factories, even the most ardent of optimists is likely to feel pangs of doubt. Yet in a corner of Trafford Park Industrial Estate, four long-standing British executives of a U.S. multi-national feel hopeful enough to have put up £300,000 of their own cash in an effort to revive loss-making Carborundum Abrasives as an independent company.

Backed by nine institutions, the British managers led by Trevor Egan, who has been with Carborundum for 30 years, have pulled off a management buy-out from Standard Oil Company (Ohio) of the major abrasives manufacturing activities in the UK and West Germany for a little over £2m. They have £1m of equity from the institutions—led by Granville & Co, the City-based finance house—and a £1.5m loan from National Westminster Bank.



Trevor Egan "We can build on our name and our quality"

How a buy-out opened the door to world markets

Carborundum reckons that independence from its U.S. parent will lead to profitability. Terry Garrett reports

With two manufacturing plants in Britain, three in Germany and a workforce of 1,300, there is a lot more than the personal wealth of four men riding on Trevor Egan's ability to turn losses into profits and return stability to a company that has suffered under years of American mismanagement. Not that the accusing finger points to Sohio. The problems that led to the oil giant's total disenchantment with its abrasives interests worldwide pre-date Sohio's parenthood to the time when Carborundum was a subsidiary of U.S. copper group Kennecott; and perhaps even further back to when Carborundum was an independent U.S. company listed on the New York Stock Exchange.

Carborundum's abrasive products break down into two broad product areas—bonded and coated. Basically both bonded and coated are industrial consumables for a variety of industries from automotive to woodworking.

Abrasives may not be a very exciting part of the industrial spectrum but they are a necessary one. When it was an independent company the U.S. management of Carborundum, in the 1960s and early 1970s, viewed its abrasives activities as solid cash generators to provide funds for diversified expansion, neglecting the fact that even cash cows need to be fed from time to time.

A decade ago Carborundum was a large multinational by most standards. Sales were running at over \$400m a year, profits were \$40m and the asset base was in excess of \$350m. It had plants in nearly every major country in the western world.

The road which finally led to the management buy-out began in 1978. Carborundum had attracted the unwelcome attention of the Eaton Corporation and was looking for a white knight. Kennecott, having pocketed \$90m from the sale of Peabody Coal was, the critics claim, also casting a worried eye over its shoulder.

Both companies had their own reasons for rushing into each others' arms but the \$370m price Kennecott paid was ruinously steep. Indeed Curtiss-Wright Corporation, the aerospace group and a major Kennecott shareholder, was so appalled by the acquisition that it spent three years battling in shareholder meetings in an attempt to get Kennecott to divest Carborundum.

Whether it was the amount of top management time spent in fighting its shareholder, or the clash of styles between the line managers of Carborundum and Kennecott, the period of marital bliss was short lived.

Trevor Egan had been managing director of all Carborundum's UK operations from 1972 to 1975 and had then held a number of senior posts around the group's Eastern empire.

Under Carborundum's tight management structure he was only one remove from the president in reporting. Under Kennecott he was suddenly way down the pecking order.

Kennecott shipped in a series of American executives to run the European businesses. Egan remembers four major management changes in as many years.

It was the recession that finally nailed the abrasives business. Its products are industrial consumables, and as production worldwide went into decline and factories closed their gates for the last time Carborundum's demand base dwindled. There had been insufficient investment in modern plant and the group found itself with too high a cost base.

By the time Sohio bought Kennecott in 1981 for \$1.77bn the fate of abrasives was largely sealed. From calendar 1978 to 1980 pre-tax profits for the European operations, now standing alone again, had fallen from £3.88m to £220,000. After mounting redundancy costs there was a small loss in 1980.

Sohio decided to bite the bullet. The team which has just completed the buy-out was

brought together in 1981 to construct a three to four year plan to restructure European abrasives. That year trading losses of £270,000 were compounded by redundancy costs of £1.8m and 1982 saw trading losses of £1.48m topped up by more redundancy costs of £660,000. But it was the impossible state of the U.S. abrasives business which finally tipped the scales. Just under a year ago Sohio announced its intention to close its American grinding wheel business and divest the rest of abrasives.

Having presided over Sohio's sale of its French and Spanish abrasives operations, Trevor Egan, and his British colleagues, wanted to take on the British and German activities for themselves. Now that events had overtaken the original 1981 plan, the programme of rationalisation was accelerated.

In the nine months to last September another 366 names disappeared off the payroll at a cost of £2.63m. Though redundancies were on a voluntary basis, union cooperation throughout the drastic realignment was still surprisingly good.

So what now? According to Egan the first priority must be

to establish credibility and, of course, profits. In the prospectus accompanying the management buy-out and dealings in Carborundum's shares in Granville's over-the-counter shares market, the directors have forecast a pre-tax profit this year of £1m against a trading loss of around £1m for 1983. If they fail in that objective the institutions which put money in can water down the directors' equity stakes which total 49.9 per cent.

Egan is confident about a return to profitability this year. "Since the announcement by Sohio (of its pull-out from abrasives) we have been able to take £2.5m of costs out of the business without affecting the underlying strength. And by coupling capital investment in automation equipment with rationalisation of the product base over the last three years we now have a very competitive base."

On top of basic cost savings there is a general upturn in demand and customers who drifted away, or reduced their commitment, during the months of uncertainty over Carborundum's survival are coming back. Breaking into new markets is the number one goal after establishing a solid profits performance. "New markets are open to us and we can build on our name and our quality to capitalise on this new potential," says Egan.

Already the British company has picked up some orders from the U.S. now that the American arm of Carborundum has closed down. And representatives of U.S. distributors have already paid their respects in Manchester. Picking the right distributor is crucial in Egan's eyes.

The second phase of rehabilitation has no timescale, but it is no less important for that. As improved technology washes through the 10-acre site at Trafford Park empty space is opening up all over the place. That is earmarked for fresh products eventually. According to Egan there are lots of products the group could go into, or possibly there could be technical support agreements with companies not operating in Europe where Carborundum could manufacture under licence.

Their years at Carborundum, whether working for the U.S. parent of the same name, for Kennecott or Sohio, has taught the British contingent an important lesson. From now on there will be a steady flow of capital investment in the future. Abrasives are still very much a cash generator rather than a growth industry. Like their U.S. masters before them, Egan's men intend to use that cash.

When quality circles fail . . .

The majority is willing to try again

BY BRIAN GROOM

THE QUALITY circle bandwagon continues to roll. But, a good five years since this Japanese management export first hit Europe, it is beginning to transpire that a sizeable number of circles have failed.

Until now, most of the evidence of failure has been anecdotal, and difficult to detect amid the continuing flood of publicity about the way quality circles can improve employee motivation.

To fill this knowledge gap, and discover what lay behind the failures, a survey of 67 British companies has just been carried out by Barrie Dale and Selwyn Hayward of the University of Manchester Institute of Science and Technology.

Their findings are fairly encouraging for circle enthusiasts, since the majority of companies which have experienced failure either of individual circles or whole programmes say they will consider trying again.

Dale and Hayward also found that companies had an average of 20 circles each, compared with 12 in an earlier study. The researchers estimate that 400 to 500 British manufacturing companies have adopted quality circles, along with 30 to 40 service organisations.

Quality circles are not just about quality. They are small groups of workers, often about seven or eight, who meet regularly to solve problems relating to various aspects of their work, including productivity.

The main reasons for failure identified by the study include rejection of the concept by top management and trade unions, the disruption caused by redundancies and company restructuring, labour turnover, lack of co-operation from middle and first-line management, and failure by circle leaders to find enough time to organise meetings.

Dale and Hayward divide failures into three categories, the biggest being 42 companies which continue to run a quality circles programme but which have experienced the failure of individual circles.

In these companies, an average of 20 per cent of circles failed. The researchers say this compares favourably with Japan where "one-third of the circles

simply make no contribution." However, the failure rate is expected to increase as UK programmes grow older.

The pitfalls were varied. Causes of failure included redundancies/restructuring (21.7 per cent of circles), labour turnover (19.3), lack of time for leaders to organise meetings (19.1), non-co-operation from middle management (18.1), non-co-operation from first-line supervisors (13.7 per cent), disillusionment among circle members with the circles philosophy (10.8), circles running out of projects (10.5), delays in management's response to circle recommendations (9), leaders not following through initial training (7.6), tackling over-ambitious projects (7.2).

However, 78.3 per cent of companies proposed to revive failed circles. Management support and commitment and attention to the roles of circle leader and facilitator (support workers who assist circles) were thought to be the most important factors in preventing failure.

occur in this category, and are important in a further seven companies which considered installing quality circles but decided against it.

In top management, reasons for rejection include a feeling that they already allowed a forum for open discussion and resolution of problems, that priority should be given to more pressing matters, or that quality circles were just the latest in a series of vogue management techniques.

This last objection was shared by some trade unionists, who also felt circles undermined the role of shop stewards. In two companies, outstanding union disputes were obstacles to setting up programmes.

"This emphasises the need for thorough consultation with trade union representatives at an early stage, to assess their attitudes towards quality circles," say the authors.

The results indicate that quality circles may not be appropriate for all companies. But they add: "It is questionable whether some of the potential benefits of operating quality circles could still not be achieved by those companies claiming to have an appropriate management style. For example, the mere fact that the concept allows workers to be formally involved in problem-solving in a regular basis could still enhance job satisfaction."

Dale and Hayward argue that quality circles cannot be judged on the failure rate alone. Some successful programmes have experienced high failure rates.

They say circles which have run out of ideas for projects should be temporarily suspended. "Periodic rests for all circles may help to maintain circles in the long term, by revitalising interest and enthusiasm."

The authors add: "As soon as circles are unable to generate suitable ideas for projects then they should be temporarily suspended until new problems arise."

A Study of Quality Circle Failures; from B. Dale, Dept. of Management Sciences, Umist, PO Box 88, Manchester M60 1QD, £6.

Enthusiasm

The first 14 years in a circle's life are the most critical. Enthusiasm can draw comfort from the fact that most of the programmes were well established and the failure rate was unlikely to lead to the collapse of whole programmes.

In another category, however, Dale and Hayward examine 18 respondents who did suspend their programmes. The vast majority (77.8 per cent) suffered from the economic situation. Redundancies and restructuring not only broke up circle membership, but undermined the workers' enthusiasm.

"Circle members may view their efforts as wasteful if their jobs are under threat, or if they think that project recommendations will not be implemented because of company change. Thus the commercial forecasts prior to implementation should offer the prospect of reasonable stability," the authors write.

Two further problems—scepticism about quality circles among managers and unions—



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THE PROPERTY MARKET BY MICHAEL CASSELL

Dublin deal for British Land

BRITISH LAND'S efforts to rebuild its reputation as one of the most imaginative and successful UK-based property groups this week took another impressive step forward.

In picking up the so-called "Slazenger" site, on the edge of St Stephens Green in Dublin, the company has won through where a long line of competitors failed.

Since the late 1960s, the four-acre site, in the heart of the city's banking and financial district, has been regarded as one of the best remaining development opportunities in Dublin. Institutions and developers alike have tried to untie the tangle of fragmented leases and tricky tenants, all without success.

Originally put together by Slazenger family interests, the site—encumbered with numerous tenancies—was offered for sale in the late 1970s and was bought in 1981 by the Gallagher Group, then Ireland's biggest property developer, for a sum thought to be around £10m.

Gallagher continued the process of site assembly but its efforts were brought to a standstill when the group collapsed in 1982. Its inability to develop the St Stephens Green site, while carrying the costs, was instrumental in bringing it to its knees.

The appointed receiver manager then began tough negotiations to knock the site into a clean saleable state and, through Jones Lang Wootton, finally put it out to tender later

last year. None of the bids was accepted and a quoting price of 188.25m was then put on the land.

John Ritblat, chairman and managing director of British Land, who had earlier looked at the possibilities, came back on the scene about two months ago, started talks and quickly scooped up the site. "It was very cheap," he says.

The group in fact paid about 155.1m (£44m) for the land and now plans a £20m-plus redevelopment programme; neat work even for the man who has just pulled off the purchase of Wimpey's half-share in the Euston Centre, widely regarded as one of the smartest property deals recently seen in London.

Ritblat calls St Stephens Green "one of the last great sites in Europe" and has suitably ambitious plans for it: "The site was fraught with legal difficulties which went as high as the Supreme Court, but we spotted a way to clear the deal and it was all done very quickly. We have outline planning permission and the site should be ready for development within a year," he adds. Exactly how he knocked down the quoted price by over 153m he is not saying.

British Land proposes a covered shopping centre of over 200,000 sq ft and Ritblat says he already has an occupier lined up for the 30,000 sq ft department store. There will be up to 700 cars parking spaces.

The development, to be carried out in association with

Power Securities, the Irish development group, could also include between 80,000 sq ft to 100,000 sq ft of offices, although a decision on this will depend on market conditions. An hotel is also a possibility.

Ritblat enthuses: "We have bought a splendid opportunity in a market we know well and there are some very disappointed competitors queuing up to offer us a substantial profit right now. But we will do the job ourselves, most probably using in-house finance."

Only this week, the group finalised arrangements for an underwritten issue of unsecured Swiss franc public bonds, to be listed on five Swiss stock exchanges. They will be issued to a maximum figure of £40m and guaranteed by the group.

No doubt some of the money might find itself in Dublin, where British Land has long been operating. The group is already involved with Power

Securities in developing a 28,500 sq ft office scheme, also on St Stephens Green.

The latest initiative helps maintain the momentum of British Land's revival, back from the brink of disaster in the early 1970s. Its involvement in the U.S., where it currently owns 35 per cent of British Land of America, is growing. The current U.S. development programme includes a major refurbishment on Broad Street, Manhattan, and the \$40m joint venture reconstruction of a 200,000 sq ft office building close to the Lincoln Centre.

Pre-tax profits in 1982-83 reached £7.71m and a further advance is expected this time. It was only in 1980, with some hefty losses behind it, that the group managed its first dividend payment of over six years.

But, as Mr Ritblat knows only too well, a great deal can happen in four years.

EPC sells to Kleinwort

ENGLISH PROPERTY CORPORATION has sold its one-third leasehold interest in The Bents Centre, Reading, Berkshire, to the Kleinwort Benson Property Fund. EPC raised over £5m from the deal.

Reading Borough Council holds the freehold of the centre, which includes a supermarket, a furnishing store, 111 shops and 77,000 sq ft of office space, and granted a 148-year lease to

the Local Authorities' Mutual Investment Trust LAMIT, in turn, underlet to EPC.

Kleinwort has now acquired this underlease and will take a third share in the income, with the balance going to LAMIT after payment of 10 per cent to the council. Current rental income is about £1.5m a year and Kleinwort—advised by Hillier Parker—and LAMIT are to undertake a major refurbishment.

Profit at English Estates

ENGLISH Industrial Estates—the government's industrial and commercial property developer—made a handsome profit in 1982-3, a year in which it reported record sales and lettings.

Accounts published this week by the Department Trade and Industry show that the EIE—now known simply as English Estates—has been fulfilling its obligation to "act in a more commercial manner."

They reveal that rental income in 1982-3 rose to £14.9m (£11.7m), although rent concessions again reduced the gross figure by just over £2m. During the year, there was also a £1.3m surplus generated from the disposal of assets, against 5475,000 in the previous twelve months.

At the year-end, the organisation had notched up a surplus before taxation of 55.1m against only 12.5m in the previous year.

The net call on government funding, largely as a result of rising property sales, fell during the year to £12.4m against 225.8m in 1981-2.

Sun Life Properties has let its 40,000 sq ft Hayworth House development in Haywards Heath, Sussex. Brown Shipley Holdings, the merchant bank and insurance brokers, are paying over 47 a sq ft. Grant & Partners acted for Sun Life.

Concrete cows bow to computers

MILTON KEYNES, the city where image-building has given way to real building, is set to announce another coup in the fight to establish itself as a major UK centre for high-technology industries.

The Development Corporation is maintaining a discreet silence over its latest success but it is understood that a major U.S. computer company is to occupy a 43,000 sq ft office and distribution building funded by Abbey Life Property Fund.

The news is good for the city and for Abbey Life, which is also funding the second phase of the 290,000 sq ft Central Plaza complex, next to the main line railway station. The 75,000 sq ft building is due for completion in April and a potential single tenant, likely to pay over 28.25 a square foot is apparently having talks.

Of the 600 companies which have moved to Milton Keynes since it was designated a development area, over 120 of them are engaged in information-technology related fields.

So far, the city—which seems to attract as much publicity for concrete cows and Japanese peace pavilions as it does for its commercial success—has become home for over 60 American companies. Scandinavian and Japanese high-tech specialists are also moving in.

With the case for location in Milton Keynes apparently won, and readily advocated by the companies which have already arrived, the city's commercial development programme has

given short shrift to the recession which has hit most parts of the property market.

In the financial year up until this April, over 500,000 sq ft of speculative office space will have been let, compared to about 280,000 sq ft in the previous year. Only two years before that, the total stood at 65,000 sq ft.

Within the city's central area, about 1m sq ft of office space has already been completed and a further 700,000 sq ft of speculative or purpose built accommodation is under way. Another 1m sq ft has been completed beyond the central area. Top-top rents touch 29 a sq ft, with 17.50 a sq ft about average.

In the industrial high-tech sector, around 600,000 sq ft of new accommodation will have been built speculatively during the current year. During the same period, purpose-built schemes will have added an extra 530,000 sq ft of space which is likely to rise towards the 750,000 sq ft level.

The corporation says that the recession has not completely

passed by the city, with small company failures reaching unprecedented levels, but there is only about 70,000 sq ft of completed office space, currently available, with a further 110,000 sq ft vacant in the high-tech sector.

After the early years of pump-priming by the Development Corporation, the private sector now provides most of the investment finance—the figure reached over 887m in 1982-83. Perhaps the greatest pleasure of faith yet in a city where faith and determination have played a big role, is the decision by Shell Pensions Trust to fund the first £40m phase of the Corporation's Central Business Exchange.

The Exchange could ultimately provide up to 1m sq ft of accommodation and offer tenants the most advanced information technology systems available. The project is a gamble and the big funds were hardly falling over themselves to put up the money. But if the stakes are high, the returns could be enormous.

Geers Gross back out

TOWNSEND THORSEN PROPERTIES has put Fennimore House, Covent Garden, back on the market, following the decision by advertising agents Geers Gross to take another of the development company's buildings nearby. Geers Gross had agreed terms with TTP to take the

whole of the 31,000 sq ft Fennimore House on High Holborn at the full asking rent of £17.50 a sq ft but they have opted for St Martin's House, the 23,000 sq ft building in St Martin's Lane, which Leerie and Fuller Peiser will handle. The re-marketing of Fennimore House.

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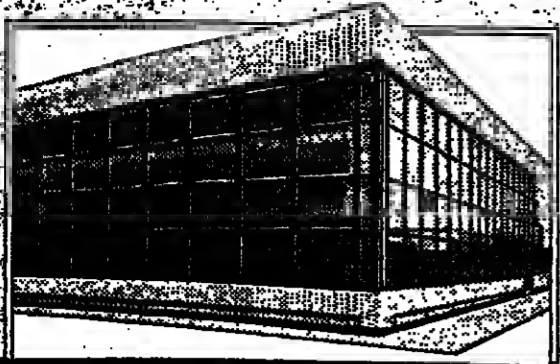
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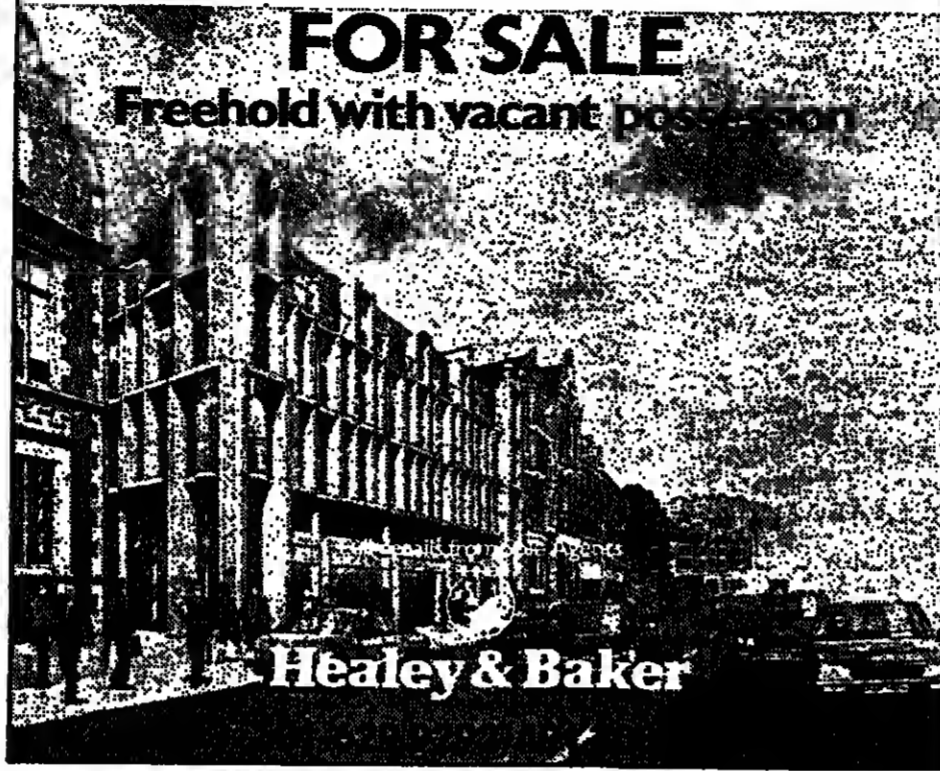
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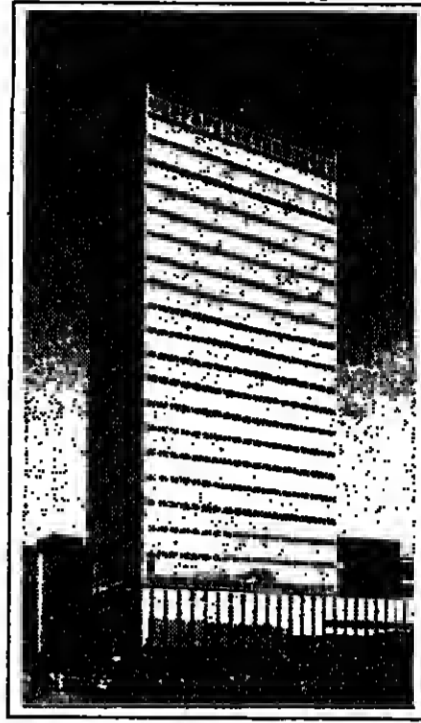
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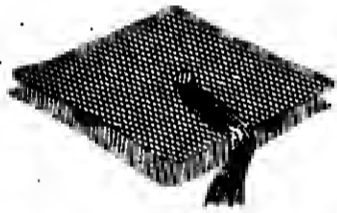
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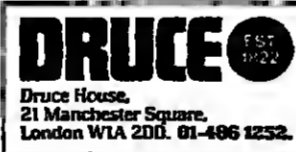
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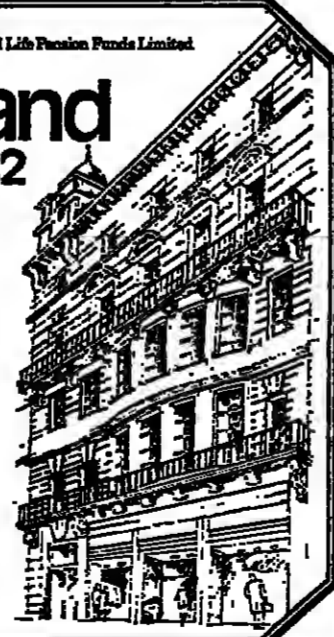
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air conditioned
offices

5,156 sq ft

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Warehouse/Factory Units and Office Suites

1,500-30,000 sq. ft.



TO LET



NEW YORK STOCK EXCHANGE 24-26 AMERICAN STOCK EXCHANGE 25-26 U.S. OVER-THE-COUNTER 26, 34 WORLD STOCK MARKETS 26 LONDON STOCK EXCHANGE 27-29 UNIT TRUSTS 30-31 COMMODITIES 32 CURRENCIES 33 INTERNATIONAL CAPITAL MARKETS 34

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Friday February 24 1984

BANQUE PASCHE 10, rue de Hollande GENEVA - SWITZERLAND Tel. 20 08 22 - Telex 422 778 KNOW HOW WITH A PERSONAL TOUCH

WALL STREET

Swift rally wipes out sharp fall

BOTH STOCK and bond markets fell heavily on Wall Street yesterday after the announcement of a sharp rise in durable goods sales in January...

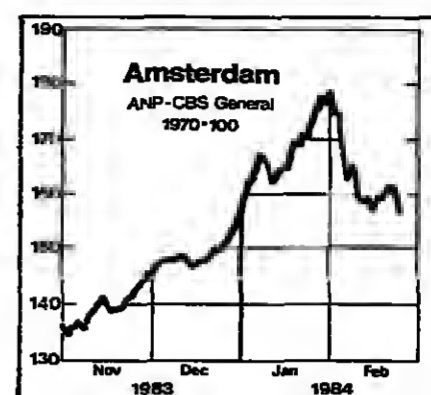
The higher sales of durables strengthened market fears of a tightening of Federal Reserve credit policies. Wall Street expects the trend to be confirmed again today when the consumer price index for January is announced.

named as a possible suitor, refused to comment and dropped 5 1/4 to \$53 1/4. In the credit markets, the session had barely opened before the March bond futures contract price dropped resoundingly through its 89 1/2 support level.

EUROPE

Divergence in absence of direction

RELUCTANCE persisted on the European bourses yesterday to commit any sizeable amount of new funds while benefit of a decisive lead from New York trading patterns. This was reflected in low volumes and divergent outcomes on the day for bourse indices...



AUSTRALIA

GOLD shares led a rebound in Sydney as the All Ordinaries index closed 1.8 up at 745.4. BHP still figured with a 5-cent gain to AS14, although Bell Resources slipped 10 cents to AS6.40...

HONG KONG

SHORT-COVERING and bargain-hunting pushed shares higher in Hong Kong yesterday after three days of losses. The Hang Seng index gained 20.07 to 1,067.29.

SOUTH AFRICA

PROFIT-TAKING trimmed sharp rises by some gold shares in Johannesburg to leave the market mainly mixed to unchanged.

TOKYO

Dispirited tone leaves volume low

DEPRESSED by record margin debts and a further drop overnight on Wall Street, equity prices lost ground in Tokyo yesterday for the second consecutive session in slack trading.

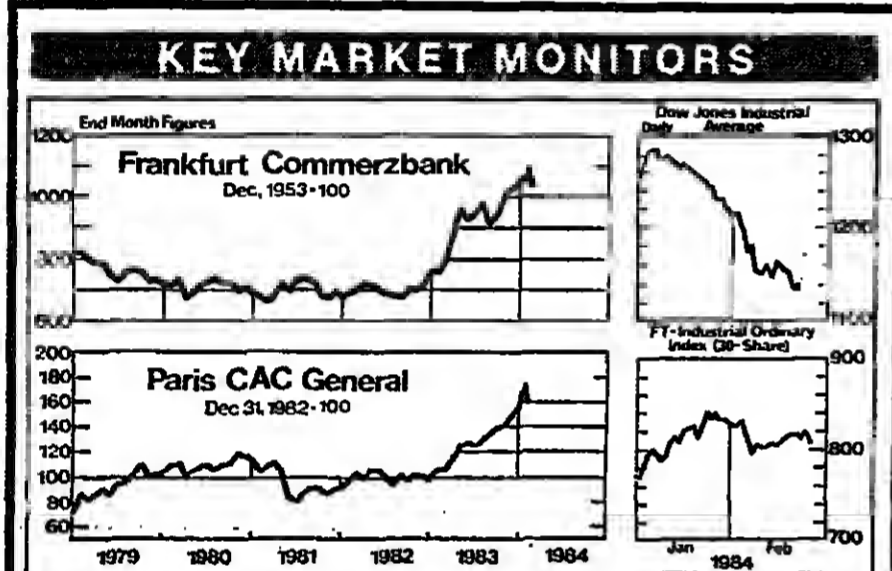


Table with multiple columns: STOCK MARKET INDICES (New York, London, Tokyo, Australia, Austria, Belgium, Canada, Denmark, France, West Germany, Hong Kong, Italy, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, World), CURRENCIES (U.S. Dollar, Sterling, Yen, etc.), INTEREST RATES, U.S. BONDS, FINANCIAL FUTURES, and COMMODITIES.



Advertisement for Perpetual Group Offshore Growth Fund. Text includes: 'An offshore unit trust based on consistent success. From one of Britain's most successful Fund Managers. Significant Annual Growth From Each Fund. The Same Successful Investment Philosophy. Perpetual Group Offshore Growth Fund. Growth Fund UP 1,470%.' Includes a bar chart showing growth and contact information for Perpetual Group.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Chg.	12 Month High	12 Month Low	Stock	Chg.	12 Month High	12 Month Low	Stock	Chg.	12 Month High	12 Month Low	Stock	Chg.
1962	1962	AAR	+0.12	1962	1962	BAC	+0.08	1962	1962	BBK	+0.05	1962	1962	BKO	+0.10
1962	1962	AAI	+0.15	1962	1962	BAL	+0.03	1962	1962	BLD	+0.02	1962	1962	BMO	+0.07
1962	1962	AAJ	+0.18	1962	1962	BAN	+0.06	1962	1962	BND	+0.04	1962	1962	BOS	+0.09
1962	1962	AAK	+0.20	1962	1962	BAR	+0.04	1962	1962	BOW	+0.01	1962	1962	BOY	+0.11
1962	1962	AAE	+0.22	1962	1962	BAX	+0.02	1962	1962	BOZ	+0.03	1962	1962	BPC	+0.13
1962	1962	AAH	+0.25	1962	1962	BBB	+0.07	1962	1962	BPO	+0.06	1962	1962	BPT	+0.15
1962	1962	AAJ	+0.28	1962	1962	BBE	+0.05	1962	1962	BPB	+0.08	1962	1962	BPS	+0.17
1962	1962	AAK	+0.30	1962	1962	BBG	+0.04	1962	1962	BPE	+0.09	1962	1962	BPR	+0.18
1962	1962	AAE	+0.32	1962	1962	BBH	+0.06	1962	1962	BPF	+0.10	1962	1962	BPI	+0.19
1962	1962	AAH	+0.35	1962	1962	BBJ	+0.08	1962	1962	BPG	+0.11	1962	1962	BPJ	+0.20
1962	1962	AAJ	+0.38	1962	1962	BBK	+0.09	1962	1962	BPH	+0.12	1962	1962	BPK	+0.21
1962	1962	AAK	+0.40	1962	1962	BBL	+0.10	1962	1962	BPI	+0.13	1962	1962	BPL	+0.22
1962	1962	AAE	+0.42	1962	1962	BBM	+0.11	1962	1962	BPJ	+0.14	1962	1962	BPM	+0.23
1962	1962	AAH	+0.45	1962	1962	BBN	+0.12	1962	1962	BPK	+0.15	1962	1962	BPN	+0.24
1962	1962	AAJ	+0.48	1962	1962	BBP	+0.13	1962	1962	BPL	+0.16	1962	1962	BPQ	+0.25
1962	1962	AAK	+0.50	1962	1962	BBQ	+0.14	1962	1962	BPM	+0.17	1962	1962	BPR	+0.26
1962	1962	AAE	+0.52	1962	1962	BBR	+0.15	1962	1962	BPQ	+0.18	1962	1962	BPS	+0.27
1962	1962	AAH	+0.55	1962	1962	BBS	+0.16	1962	1962	BPR	+0.19	1962	1962	BPT	+0.28
1962	1962	AAJ	+0.58	1962	1962	BBT	+0.17	1962	1962	BPS	+0.20	1962	1962	BPU	+0.29
1962	1962	AAK	+0.60	1962	1962	BBU	+0.18	1962	1962	BPT	+0.21	1962	1962	BPV	+0.30
1962	1962	AAE	+0.62	1962	1962	BBV	+0.19	1962	1962	BPU	+0.22	1962	1962	BPW	+0.31
1962	1962	AAH	+0.65	1962	1962	BBW	+0.20	1962	1962	BPV	+0.23	1962	1962	BPX	+0.32
1962	1962	AAJ	+0.68	1962	1962	BBX	+0.21	1962	1962	BPW	+0.24	1962	1962	BPY	+0.33
1962	1962	AAK	+0.70	1962	1962	BBY	+0.22	1962	1962	BPY	+0.25	1962	1962	BPZ	+0.34
1962	1962	AAE	+0.72	1962	1962	BBZ	+0.23	1962	1962	BQ1	+0.26	1962	1962	BQ2	+0.35
1962	1962	AAH	+0.75	1962	1962	BB1	+0.24	1962	1962	BQ3	+0.27	1962	1962	BQ4	+0.36
1962	1962	AAJ	+0.78	1962	1962	BB2	+0.25	1962	1962	BQ5	+0.28	1962	1962	BQ6	+0.37
1962	1962	AAK	+0.80	1962	1962	BB3	+0.26	1962	1962	BQ7	+0.29	1962	1962	BQ8	+0.38
1962	1962	AAE	+0.82	1962	1962	BB4	+0.27	1962	1962	BQ9	+0.30	1962	1962	BQ9	+0.39
1962	1962	AAH	+0.85	1962	1962	BB5	+0.28	1962	1962	BQ9	+0.31	1962	1962	BQ9	+0.40

Continued on Page 25

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of American stock exchange closing prices, organized in columns by stock symbol and name, with columns for high, low, and price.

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York stock exchange closing prices, organized in columns by stock symbol and name, with columns for high, low, and price.

Continued on Page 26

Notes and footnotes explaining the data, including information about dividends, stock splits, and other market-related details.

WORLD STOCK MARKETS

Table of world stock markets including Canada, Denmark, Netherlands, Australia, Japan, and Over-the-Counter Nasdaq National Market closing prices.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table of American stock exchange closing prices for various sectors and individual stocks.

NEW YORK CLOSING PRICES

Table of New York closing prices for commodities and other markets.

Indices

Table of various stock indices including Dow Jones, Standard and Poors, and NYSE All Common.

ENERGY REVIEW every Wednesday in the Financial Times

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LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

ICI results unsettle equity markets generally and index falls 9.5 to close at 806.9

Account Dealing Dates

*First Declared Last Account Dealings close Dealings Day Feb 13 Feb 23 Feb 24 Mar 5 Feb 27 Mar 8 Mar 9 Mar 19 Mar 22 Mar 23 Mar 2 Apr 4 *New-time* dealings may take place from 9.30 on two business days earlier.

Hopes that ICI's preliminary results would revitalise the London equity market were dashed yesterday. The chemical giant revealed annual profits that fell well short of market expectations, although they were up sharply from last year's depressed level of £250m to £515m. Analysts' forecasts for the group had ranged from £630m to £660m so the disclosure was a nervous reaction to Plessey's 1983 results—caused leading shares to beat a hasty retreat.

Unchanged at 806.9 ahead of the statement, ICI slumped to 57.4p at one stage before rebounding to 58.8p, down 16p on balance, following consideration later of the chairman's optimistic profit projection for the current year. There was also a setback in Plessey which, despite nine-month results exactly in line with anticipations, fell 14 to 206.9p. Blue chip 100-share index earlier ignored Wall Street's fall to a 10-month low, which reflected growing concern about Government economic and financial policies and appeared little altered. The FT Industrial Ordinary share index was only modestly off at 10 am but 10.3 down at 3 pm before it closed 9.5 down on balance at 806.9. Recovery attempts were frustrated by Wall Street's continued inability yesterday to mount a sustained rallying movement. The new FTSE 100-share index ended 11.3 down at the day's lowest of 1,031.7.

Liquidity shortages inhibited trade in gilt-edged securities and questions tended to cloud mounting U.S. bond values and mounting U.S. concern about short-term interest rates were noted but failed to unsettle UK Government stocks. Funds were tied up in the £100m issue of Asian Development Bank 10 1/2 per cent 2009, oversubscribed on application yesterday; dealings in the stock began this morning. After fluctuating either side of overnight list levels, closing gilt-edged prices were often a shade easier on the day.

C. & E. Heath dull Reports of an unsuccessful placing of a sizeable number of C. E. Heath shares at around 330p depressed the price which fell to 318p before closing a net 15 down on the day at 320p. Other Lloyds' Brokers gave ground in sympathy with the dollar's current downturn also affecting sentiment. Whitts Faber slipped to 67.2p and Stewart Wrightson gave up 7 to 288p, while Hogg Robinson, 164p, and Sedgwick, 216p, fell 4 and 5p, respectively. Commercial Union held the overnight level of 172p following comment on the preliminary results. The cleaners succumbed to the general trend. Midland remained off at 359p, down 5, while Lloyds reacted to profit-taking to finish 6 easier at 587p. Leading Breweries were barely moved were again confined to

regional. Border remained a good market and firmed 10 to 115p—40 above the offer from Forthways Burtonwood, which was unchanged at 325p. Questions, spurred as a rival offer after having acquired just over 50 per cent of Border, attracted "new-time" demand and rose 4 to 68p.

Building Materials issues were often a few pence easier. RMC and Redland shed 4 pence to 419p and 269p respectively, but Tarmac attracted occasional small buyers and added that much at 464p. Barratt Developments came under further pressure and gave up 8 for a two-day fall of 14 to 170p; the interim results are due on March 13. On the other hand, fellow housebuilders Ward Holdings rose 10 to 92p in response to excellent preliminary figures and the Board's confident statement. Renewed demand in a limited market lifted Blockloks 1/4 to 370p. New-time buying left with anticipations, fell 14 to 206.9p.

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FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Govt. Secs, Fixed Int., Industrial Ord., and others, with values for Feb 23, Feb 22, Feb 21, Feb 20, Feb 19, Feb 18, Feb 17, Feb 16, Feb 15, Feb 14, Feb 13, Feb 12, Feb 11, Feb 10, Feb 9, Feb 8, Feb 7, Feb 6, Feb 5, Feb 4, Feb 3, Feb 2, Feb 1, and year ago.

10 am 815.5, 11 am 813.8, Noon 812.0, 1 pm 808.5, 2 pm 807.1, 3 pm 806.9, 4 pm 806.9, 5 pm 806.9, 6 pm 806.9, 7 pm 806.9, 8 pm 806.9, 9 pm 806.9, 10 pm 806.9, 11 pm 806.9, 12 pm 806.9.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns for High, Low, and S.E. Activity for various indices like Govt. Secs, Fixed Int., and Industrial Ord.

line with market expectations, Plessey fell away to close at around the day's lowest of 206p, down 14. Among other Electrical leaders, Kael recorded a fall of 7 to 206p and GEC settled a couple of pence cheaper at 174p. Elsewhere, lack of support left NEI 5 lower at 86p. Unlisted securities recorded some net buying for Turf Paradise, Acera Computer, down to 130p after the interim figures, rallied smartly to close 5 up on balance at 151p. Continental Microwave advanced 4 to 400p, Henshaws put on 8 to 213p and SCUSA 9 to 122p.

Light offerings and lack of support made for dull conditions in the Engineering market. Hawker reacted 1/2 to 388p and GKN closed 6 cheaper at 196p, after 195p, but TI, still sustained by recent bid rumours, closed unaltered at 246p, after 250p. Elsewhere, Baxi Holdings rose 3 to 200p, while Bernard Matthews attracted revived interest and, in a restricted market, gained 7 to 169p. Occasional buying lifted Pack Foods 4 to 59p, while USI, styled 7 more to 243p following the Ziff families' rebuttal of the Harris Queensway bid. Despite third-quarter figures in

able profit-taking from recent London and Continental buyers. The profit-taking was partly offset by reports of U.S. buying in after-hours trading but the latter demand was insufficient to prevent the majority of recent favourites from retreating from their best levels.

The Gold Mines index added 12.8 more to 671.0, extending the rise over the past four days to 12.8 more than 64 points. Bullion was finally \$3.75 up at \$388.125 an ounce, after \$402.5. Easyweights were left with gains ranging up to around 2p as in Vaal Reef, 590; and Western Deep, 543; while among a handful of stocks to move up to 1983-84 highs were Buffalo vancing 1.6 to 127p in response to the 188 per cent interim profits expansion. Ash and Wilberg firmed 3 to 47p despite the increased full-year deficit and omitted dividend; the offer from Sun Chemical of the U.S. of 48p per share was "Amco" added 1/2 to 11.5p. London issues retreated from a firm opening, Charter slipping back to close 5 lower at 288p after a day of active trading, while RTZ were finally 2 like amount of 600p and Gold Fields 2 easier at 607p, after 610p. SOUTH AFRICAN standing performers in Australia. In the leaders Gold Mines of Kalgoorlie put on 15 to 680p, Foskor 7 to 305p, after 306p and Central Noranda 5 to 383p.

The more speculative issues were again highlighted by Whim Creek, which jumped 5 more to 2 year's best of 272p—a gain of 34 over the past four days. Persistent support of ICI and Lonrho positions boosted other shares transacted in the Options to 618p—the highest so far this month.

Irish oils rally Exploration news dominated the Irish trade reflecting continuing fears that Atlantic Resources may need to raise further funds for its share of drilling costs off the south-east coast of the Irish Republic following persistent technical difficulties, but rallied strongly on rumours that the problems have been overcome. After dipping below the 400p level Atlantic recovered sharply to close a net 30 higher at 455p. Aran, down to 58p at one stage, picked up to end the day 2 up on balance at 62p. Leading UK issues were easier across the board except for the day, which staged a modest rally in the after-hours' trading led by British, which were finally unaltered at 347p, after 243p, following a net 30 higher at 455p. Aran, down to 58p at one stage, picked up to end the day 2 up on balance at 62p. Leading UK issues were easier across the board except for the day, which staged a modest rally in the after-hours' trading led by British, which were finally unaltered at 347p, after 243p, following a net 30 higher at 455p.

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Table of RECENT ISSUES with columns for Issue Price, Amount, and Stock.

Table of FIXED INTEREST with columns for Issue Price, Amount, and Stock.

Table of RIGHTS OFFERS with columns for Issue Price, Amount, and Stock.

Table of OPTIONS with columns for First Last, Deal Deal, and Active Stocks.

Table of WEDNESDAY'S ACTIVE STOCKS with columns for Stock, No. of Wtd, and Day's Change.

Table of RISES AND FALLS YESTERDAY with columns for British Funds, Foreign Bonds, and FTSE 100 INDEX.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of EQUITY GROUPS & SUB-SECTIONS with columns for Index No., Day's Change, and Year Ago.

Table of FIXED INTEREST with columns for Index No., Day's Change, and Year Ago.

EUROPEAN OPTIONS EXCHANGE

Table of EUROPEAN OPTIONS EXCHANGE with columns for Series, Vol., and Last.

LONDON TRADED OPTIONS

Table of LONDON TRADED OPTIONS with columns for Option, Apr., July, and Puts.

FTSE 100 INDEX

Table of FTSE 100 INDEX with columns for Index, Day's High, and Day's Low.



FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years' with columns for Stock, Price, and Yield.

Over Fifteen Years

Table of funds categorized as 'Over Fifteen Years' with columns for Stock, Price, and Yield.

Undated

Table of undated funds with columns for Stock, Price, and Yield.

Index-Linked

Table of index-linked funds with columns for Stock, Price, and Yield.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues with columns for Stock, Price, and Yield.

CORPORATION LOANS

Table of corporation loans with columns for Stock, Price, and Yield.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans with columns for Stock, Price, and Yield.

LOANS

Table of various loans with columns for Stock, Price, and Yield.

Public Board and Ind.

Table of public board and industrial shares with columns for Stock, Price, and Yield.

Financial

Table of financial shares with columns for Stock, Price, and Yield.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails with columns for Stock, Price, and Yield.

AMERICANS

Table of American stocks with columns for Stock, Price, and Yield.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, and Yield.

BANKS, H.P. AND LEASING

Table of banks, H.P., and leasing companies with columns for Stock, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit stocks with columns for Stock, Price, and Yield.

Hire Purchase, Leasing, etc.

Table of hire purchase, leasing, etc. companies with columns for Stock, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads stocks with columns for Stock, Price, and Yield.

DRAPERY AND STORES

Table of drapery and stores stocks with columns for Stock, Price, and Yield.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks with columns for Stock, Price, and Yield.

DRAPERY AND STORES

Table of drapery and stores stocks with columns for Stock, Price, and Yield.

DRAPERY—Continued

Continued table of drapery stocks with columns for Stock, Price, and Yield.

ELECTRICALS

Table of electrical stocks with columns for Stock, Price, and Yield.

FOOD, GROCERIES, ETC.

Table of food, grocery, etc. stocks with columns for Stock, Price, and Yield.

DRAPERY AND STORES

Table of drapery and stores stocks with columns for Stock, Price, and Yield.

ENGINEERING

Table of engineering stocks with columns for Stock, Price, and Yield.

ENGINEERING—Continued

Continued table of engineering stocks with columns for Stock, Price, and Yield.

ENGINEERING—Continued

Continued table of engineering stocks with columns for Stock, Price, and Yield.

HOTELS AND CATERERS

Table of hotel and caterer stocks with columns for Stock, Price, and Yield.

INDUSTRIALS (Miscel.)

Table of miscellaneous industrial stocks with columns for Stock, Price, and Yield.

HOTELS—Continued

Continued table of hotel stocks with columns for Stock, Price, and Yield.

INDUSTRIALS (Miscel.)

Continued table of miscellaneous industrial stocks with columns for Stock, Price, and Yield.

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INDUSTRIALS—Continued

Table of stock prices for industrial companies including Anglo American, Anglo Coal, Anglo Iron, Anglo Oil, Anglo Steel, Anglo Textiles, Anglo Chemicals, Anglo Pharmaceuticals, Anglo Electronics, Anglo Computers, Anglo Telecommunications, Anglo Services, Anglo Utilities, Anglo Transport, Anglo Shipping, Anglo Real Estate, Anglo Insurance, Anglo Finance, Anglo Land, Anglo Resources, Anglo Energy, Anglo Mining, Anglo Manufacturing, Anglo Retail, Anglo Wholesale, Anglo Distribution, Anglo Logistics, Anglo Transportation, Anglo Infrastructure, Anglo Construction, Anglo Engineering, Anglo Consulting, Anglo Advertising, Anglo Marketing, Anglo Public Relations, Anglo Legal, Anglo Accounting, Anglo Tax, Anglo Insurance, Anglo Finance, Anglo Land, Anglo Resources, Anglo Energy, Anglo Mining, Anglo Manufacturing, Anglo Retail, Anglo Wholesale, Anglo Distribution, Anglo Logistics, Anglo Transportation, Anglo Infrastructure, Anglo Construction, Anglo Engineering, Anglo Consulting, Anglo Advertising, Anglo Marketing, Anglo Public Relations, Anglo Legal, Anglo Accounting, Anglo Tax.

LEISURE—Continued

Table of stock prices for leisure companies including Leisure Parks, Leisure Centers, Leisure Services, Leisure Retail, Leisure Wholesale, Leisure Distribution, Leisure Logistics, Leisure Transportation, Leisure Infrastructure, Leisure Construction, Leisure Engineering, Leisure Consulting, Leisure Advertising, Leisure Marketing, Leisure Public Relations, Leisure Legal, Leisure Accounting, Leisure Tax.

PROPERTY—Continued

Table of stock prices for property companies including Property Development, Property Investment, Property Management, Property Retail, Property Wholesale, Property Distribution, Property Logistics, Property Transportation, Property Infrastructure, Property Construction, Property Engineering, Property Consulting, Property Advertising, Property Marketing, Property Public Relations, Property Legal, Property Accounting, Property Tax.

INVESTMENT TRUSTS—Cont.

Table of stock prices for investment trusts including Investment Trusts, Real Estate Trusts, Infrastructure Trusts, Energy Trusts, Mining Trusts, Manufacturing Trusts, Retail Trusts, Wholesale Trusts, Distribution Trusts, Logistics Trusts, Transportation Trusts, Infrastructure Trusts, Construction Trusts, Engineering Trusts, Consulting Trusts, Advertising Trusts, Marketing Trusts, Public Relations Trusts, Legal Trusts, Accounting Trusts, Tax Trusts.

OIL AND GAS—Continued

Table of stock prices for oil and gas companies including Oil Refiners, Gas Producers, Oil Producers, Oil Service Companies, Gas Service Companies, Oil Equipment, Gas Equipment, Oil Chemicals, Gas Chemicals, Oil Pharmaceuticals, Gas Pharmaceuticals, Oil Electronics, Gas Electronics, Oil Computers, Gas Computers, Oil Telecommunications, Gas Telecommunications, Oil Services, Gas Services, Oil Utilities, Gas Utilities, Oil Transport, Gas Transport, Oil Shipping, Gas Shipping, Oil Real Estate, Gas Real Estate, Oil Insurance, Gas Insurance, Oil Finance, Gas Finance, Oil Land, Gas Land, Oil Resources, Gas Resources, Oil Energy, Gas Energy, Oil Mining, Gas Mining, Oil Manufacturing, Gas Manufacturing, Oil Retail, Gas Retail, Oil Wholesale, Gas Wholesale, Oil Distribution, Gas Distribution, Oil Logistics, Gas Logistics, Oil Transportation, Gas Transportation, Oil Infrastructure, Gas Infrastructure, Oil Construction, Gas Construction, Oil Engineering, Gas Engineering, Oil Consulting, Gas Consulting, Oil Advertising, Gas Advertising, Oil Marketing, Gas Marketing, Oil Public Relations, Gas Public Relations, Oil Legal, Gas Legal, Oil Accounting, Gas Accounting, Oil Tax, Gas Tax.

DAIWA BANK - a fully integrated banking service. Head Office: Osaka, Japan. London Branch: Tel. 01 588-0011. Paris Branch: Tel. 01 55 05 01 31. Buenos Aires Branch: Tel. 01 728-8813.

MINES—continued

Table of stock prices for mining companies including Gold Mines, Silver Mines, Iron Mines, Copper Mines, Zinc Mines, Lead Mines, Nickel Mines, Uranium Mines, Coal Mines, Oil Mines, Gas Mines, Industrial Minerals, Precious Metals, Rare Earths, Nuclear Fuel, Other Minerals.

MOTORS, AIRCRAFT TRADES

Table of stock prices for motors, aircraft trades, commercial vehicles, and components including Motors, Aircraft, Commercial Vehicles, Components, Garages and Distributors.

SHIPPING

Table of stock prices for shipping companies including Shipping Lines, Maritime Services, Shipbuilding, Ship Repair, Ship Management, Ship Finance, Ship Insurance, Ship Real Estate, Ship Resources, Ship Energy, Ship Mining, Ship Manufacturing, Ship Retail, Ship Wholesale, Ship Distribution, Ship Logistics, Ship Transportation, Ship Infrastructure, Ship Construction, Ship Engineering, Ship Consulting, Ship Advertising, Ship Marketing, Ship Public Relations, Ship Legal, Ship Accounting, Ship Tax.

SHOES AND LEATHER

Table of stock prices for shoes and leather companies including Shoe Manufacturers, Leather Goods, Footwear Retail, Footwear Wholesale, Footwear Distribution, Footwear Logistics, Footwear Transportation, Footwear Infrastructure, Footwear Construction, Footwear Engineering, Footwear Consulting, Footwear Advertising, Footwear Marketing, Footwear Public Relations, Footwear Legal, Footwear Accounting, Footwear Tax.

SOUTH AFRICANS

Table of stock prices for South African companies including Anglo Group, Anglo Resources, Anglo Energy, Anglo Mining, Anglo Manufacturing, Anglo Retail, Anglo Wholesale, Anglo Distribution, Anglo Logistics, Anglo Transportation, Anglo Infrastructure, Anglo Construction, Anglo Engineering, Anglo Consulting, Anglo Advertising, Anglo Marketing, Anglo Public Relations, Anglo Legal, Anglo Accounting, Anglo Tax.

TEXTILES

Table of stock prices for textile companies including Textile Manufacturers, Textile Retail, Textile Wholesale, Textile Distribution, Textile Logistics, Textile Transportation, Textile Infrastructure, Textile Construction, Textile Engineering, Textile Consulting, Textile Advertising, Textile Marketing, Textile Public Relations, Textile Legal, Textile Accounting, Textile Tax.

PAPER, PRINTING, ADVERTISING

Table of stock prices for paper, printing, advertising companies including Paper Manufacturers, Printing Services, Advertising Agencies, Media Companies, Publishing Houses, News Organizations, Entertainment Companies, Sports Organizations, Educational Institutions, Research Organizations, Think Tanks, Policy Groups, Advocacy Groups, Industry Associations, Trade Unions, Labor Unions, Professional Associations, Academies, Societies, Clubs, Organizations.

TOBACCO

Table of stock prices for tobacco companies including Tobacco Manufacturers, Tobacco Retail, Tobacco Wholesale, Tobacco Distribution, Tobacco Logistics, Tobacco Transportation, Tobacco Infrastructure, Tobacco Construction, Tobacco Engineering, Tobacco Consulting, Tobacco Advertising, Tobacco Marketing, Tobacco Public Relations, Tobacco Legal, Tobacco Accounting, Tobacco Tax.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, land companies including Trusts, Finance, Land, Investment Trusts, Real Estate, Infrastructure, Energy, Mining, Manufacturing, Retail, Wholesale, Distribution, Logistics, Transportation, Infrastructure, Construction, Engineering, Consulting, Advertising, Marketing, Public Relations, Legal, Accounting, Tax.

INSURANCE

Table of stock prices for insurance companies including Life Insurance, Fire Insurance, Marine Insurance, Automobile Insurance, Health Insurance, Travel Insurance, Other Insurance.

PROPERTY

Table of stock prices for property companies including Property Development, Property Investment, Property Management, Property Retail, Property Wholesale, Property Distribution, Property Logistics, Property Transportation, Property Infrastructure, Property Construction, Property Engineering, Property Consulting, Property Advertising, Property Marketing, Property Public Relations, Property Legal, Property Accounting, Property Tax.

TOBACCO

Table of stock prices for tobacco companies including Tobacco Manufacturers, Tobacco Retail, Tobacco Wholesale, Tobacco Distribution, Tobacco Logistics, Tobacco Transportation, Tobacco Infrastructure, Tobacco Construction, Tobacco Engineering, Tobacco Consulting, Tobacco Advertising, Tobacco Marketing, Tobacco Public Relations, Tobacco Legal, Tobacco Accounting, Tobacco Tax.

FINANCE, LAND, ETC.

Table of stock prices for finance, land, etc. companies including Finance, Land, Real Estate, Infrastructure, Energy, Mining, Manufacturing, Retail, Wholesale, Distribution, Logistics, Transportation, Infrastructure, Construction, Engineering, Consulting, Advertising, Marketing, Public Relations, Legal, Accounting, Tax.

MINES

Table of stock prices for mining companies including Gold Mines, Silver Mines, Iron Mines, Copper Mines, Zinc Mines, Lead Mines, Nickel Mines, Uranium Mines, Coal Mines, Oil Mines, Gas Mines, Industrial Minerals, Precious Metals, Rare Earths, Nuclear Fuel, Other Minerals.

REGIONAL AND IRISH STOCKS

Table of stock prices for regional and Irish stocks including Regional Stocks, Irish Stocks, UK Stocks, European Stocks, Global Stocks.

OPTIONS

Table of stock prices for options including Call Options, Put Options, Futures Options, Derivatives.

DIAMOND AND PLATINUM

Table of stock prices for diamond and platinum companies including Diamond Producers, Platinum Producers, Precious Metals.

CENTRAL AFRICAN

Table of stock prices for Central African companies including Anglo Group, Anglo Resources, Anglo Energy, Anglo Mining, Anglo Manufacturing, Anglo Retail, Anglo Wholesale, Anglo Distribution, Anglo Logistics, Anglo Transportation, Anglo Infrastructure, Anglo Construction, Anglo Engineering, Anglo Consulting, Anglo Advertising, Anglo Marketing, Anglo Public Relations, Anglo Legal, Anglo Accounting, Anglo Tax.

A selection of indices appears in the London Stock Exchange Report page 35

This service is available to every Company listed in the FTSE 100

For further information contact your Stockbroker

or write to the Editor, Financial Times, 100 Broad Street, London EC2

or call 01-555 1111

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Growth, Abbey Income, etc., with columns for name, manager, and other details.

British Unit Trusts Ltd (UK) (C) (P)

Table listing British unit trusts including British Growth, British Income, British Equity, etc.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including Crown Unit Trust Services Ltd., Legal & General (Unit Tr.), Midland Bank Group Unit Tr., etc.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Growth, Abbey Income, etc.

INSURANCES

Table listing insurance companies and their services, including AA Friendly Society, Abbey Life Assurance Co. Ltd., etc.

Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd., etc.

Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd., etc.

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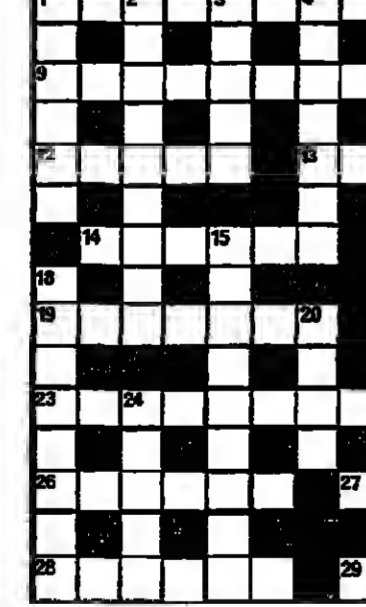
Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd., etc.

Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd., etc.

Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd., etc.

F.T. CROSSWORD PUZZLE No. 5351

- ACROSS
1 Drinking song going around America (6)
2 Iron man? No, lady (8)
3 Understood it's about wrong ideals (8)
4 Kind of robbery most likely to occur during rush hours (4, 2)
5 Not at all the present and past term of agreement (2, 3)
6 Frightened of arrest (9)
7 We get trained about the way tea's made (6)
8 The Spanish agent has turned smart? (7)
9 A political favour? (7)
10 Private servant? (6)
11 Is perhaps disposed to produce objects of worth (9)
12 No way out for under-cover activities? (6)
13 Minded being arranged (3)
14 Makes better conclusions about me (8)
15 Cleaners out may use it (8)
DOWN
1 Bill comes up to telephone, showing concern (6)
2 Direction for guardians? (9)
3 One object of alliance (5)
4 Third man had a way with Heloise (7)
5 A run to clinch the match? (6)
6 Clergyman in drink is confused (5)
8 Hasten the construction of a dead exit (8)
9 Quietly look around for a Kinsman admiral (4)
10 Guard what one says—it's a good maxim (9)
11 Mass trial arranged for scaremongers (9)
12 Pier gets shaken, but is standing (8)
13 Learning Heather goes out to work for a living (4)
14 Calm down when you have a choice of evils (2, 5)
15 Key man in the penal system (6)
16 Minister of the armed



Solution to Puzzle No. 5350
Across:
1. Drinking song going around America (6)
2. Iron man? No, lady (8)
3. Understood it's about wrong ideals (8)
4. Kind of robbery most likely to occur during rush hours (4, 2)
5. Not at all the present and past term of agreement (2, 3)
6. Frightened of arrest (9)
7. We get trained about the way tea's made (6)
8. The Spanish agent has turned smart? (7)
9. A political favour? (7)
10. Private servant? (6)
11. Is perhaps disposed to produce objects of worth (9)
12. No way out for under-cover activities? (6)
13. Minded being arranged (3)
14. Makes better conclusions about me (8)
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Down:
1. Bill comes up to telephone, showing concern (6)
2. Direction for guardians? (9)
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5. A run to clinch the match? (6)
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10. Guard what one says—it's a good maxim (9)
11. Mass trial arranged for scaremongers (9)
12. Pier gets shaken, but is standing (8)
13. Learning Heather goes out to work for a living (4)
14. Calm down when you have a choice of evils (2, 5)
15. Key man in the penal system (6)
16. Minister of the armed

Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd., etc.

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INSURANCE & OVERSEAS MANAGED FUNDS

Main table containing financial data for various insurance and overseas managed funds, including company names, fund names, and numerical values.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds with their respective details and values.

Table listing insurance and managed funds on the left side of the page, including company names and fund details.

Table listing insurance and managed funds in the middle section of the page, including company names and fund details.

Table listing insurance and managed funds in the right-middle section of the page, including company names and fund details.

Table listing insurance and managed funds on the right side of the page, including company names and fund details.

Notes and additional information at the bottom of the page, including a disclaimer and contact details.

COMMODITIES AND AGRICULTURE

Oil futures cash settlement plan

BY JOHN EDWARDS, COMMODITIES EDITOR

THE introduction of a cash settlement, as an alternative to physical delivery, is being considered by the International Petroleum Exchange...

One possible change would be to have Sullom Voe, the main North Sea oil terminal, as an alternative delivery point...

Peru halts metal sales

BY OUR COMMODITIES EDITOR

CENTROMIN, Peru's biggest state-owned mining company, yesterday declared a cash settlement on shipments of all its metals...

Sugar beet sowings in EEC likely to increase

By Our Commodities Staff

WESTERN EUROPEAN sugar beet sowings are likely to rise 3.4 per cent to 2.6m hectares, with Eastern Europe's 0.04 per cent higher at 4.3m hectares...

Plantings in the EEC are estimated to be 3.05 per cent higher at 1.73m hectares and assuming normal yields...

Farmers are feeling beleaguered by political events. John Cherrington reports

A fatalism about the future

met one who shows any signs of voluntarily reducing his output. There is some talk of reducing labour services instead of regular hands...

Farmers are very low geared by any standards. Bank borrowings of £20m are less than 10 per cent of their asset value.

Scottish fish farming 'ready to expand'

BY A CORRESPONDENT

SCOTTISH fish farming is poised to soar to an output value of £50m during the next five years, in spite of the fact that the industry...

Inro appointment expected

BY WONG SULONG IN KUALA LUMPUR

MR PANG SOEPARTO of Indonesia is widely expected to be elected the new executive director of the Kuala Lumpur-based International Rubber Organisation...

PRICE CHANGES

Table with columns: In tonnes, Feb. 23, 1984, + or -, Month ago. Rows include Metals, Rubber, Tin, Zinc, Lead, Silver, Gold, Platinum, Palladium, and various grades of oil.

BRITISH COMMODITY PRICES

Table with columns: Commodity, Unit, Price. Rows include Copper, Tin, Zinc, Lead, Silver, Gold, Platinum, and various grades of oil.

AMERICAN MARKETS

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, Cotton, and various grades of oil.

NEW YORK

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, Cotton, and various grades of oil.

LONDON OIL

Table with columns: Crude Oil, Unit, Price. Rows include Arabian Light, Arabian Heavy, Brent, and various grades of oil.

CRUDE OIL FUTURES

Table with columns: Month, Price. Rows include March, April, May, June, July, August.

SPOT PRICES

Table with columns: Commodity, Unit, Price. Rows include Rubber, Tin, Zinc, Lead, Silver, Gold, Platinum, and various grades of oil.

GAS OIL FUTURES

Table with columns: Month, Price. Rows include March, April, May, June, July, August.

GOLD MARKETS

Table with columns: Commodity, Unit, Price. Rows include Gold Bullion, Gold Bars, and various grades of gold.

LONDON FUTURES

Table with columns: Month, Price. Rows include March, April, May, June, July, August.

BASE METALS

Table with columns: Commodity, Unit, Price. Rows include Copper, Tin, Zinc, Lead, Silver, Gold, Platinum, and various grades of oil.

ZINC

Table with columns: Commodity, Unit, Price. Rows include Zinc, Zinc Oxide, and various grades of zinc.

COFFEE

Table with columns: Commodity, Unit, Price. Rows include Coffee, Coffee Beans, and various grades of coffee.

GRAINS

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, and various grades of grains.

INDICES

Table with columns: Index Name, Value. Rows include Financial Times, Dow Jones, and various market indices.

WHEAT

Table with columns: Commodity, Unit, Price. Rows include Wheat, Wheat Flour, and various grades of wheat.

REUTERS

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, and various grades of grains.

MOODY'S

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, and various grades of grains.

EUROPEAN MARKETS

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, and various grades of grains.

ALUMINIUM

Table with columns: Commodity, Unit, Price. Rows include Aluminium, Aluminium Oxide, and various grades of aluminium.

NICKEL

Table with columns: Commodity, Unit, Price. Rows include Nickel, Nickel Sulfate, and various grades of nickel.

SILVER

Table with columns: Commodity, Unit, Price. Rows include Silver, Silver Chloride, and various grades of silver.

WOOL FUTURES

Table with columns: Month, Price. Rows include March, April, May, June, July, August.

COTTON

Table with columns: Commodity, Unit, Price. Rows include Cotton, Cotton Lint, and various grades of cotton.

POTATOES

Table with columns: Commodity, Unit, Price. Rows include Potatoes, Potato Flour, and various grades of potatoes.

HEATING OIL

Table with columns: Commodity, Unit, Price. Rows include Heating Oil, Heating Oil Futures, and various grades of heating oil.

SOYBEAN MEAL

Table with columns: Commodity, Unit, Price. Rows include Soybean Meal, Soybean Meal Futures, and various grades of soybean meal.

WHEAT

Table with columns: Commodity, Unit, Price. Rows include Wheat, Wheat Flour, and various grades of wheat.

Vertical text on the right edge of the page, possibly a page number or reference.

Handwritten note: "Handwritten note in Arabic script at the top of the page, possibly a date or reference." (Note: The text is illegible due to blurriness and handwriting.)

CURRENCIES, MONEY and CAPITAL MARKETS

FINANCIAL TIMES PUBLISHED IN LONDON & SAN FRANCISCO

FOREIGN EXCHANGES

Dollar continues to fall

The dollar continued to retreat on the foreign exchanges yesterday as the market focused its attention on the very large U.S. deficit highlighted in the recent testimony to Congress of Mr. Paul Volcker, chairman of the Federal Reserve Board. Sentiment moved against the dollar at the beginning of the month following Mr. Volcker's comments about the possibility of the U.S. becoming a major international debtor, and apart from the respite at the beginning of this week on growing instability in the Middle East, the currency has shown a steady weaker trend.

A rise of 1.1 per cent in U.S. January durable goods orders was in line with expectations, and had little impact. It did however confirm fast economic growth, and reinforced market fears about inflationary pressure in the U.S. The dollar fell to DM 2.6535 against the D-Mark; FFR 3.1750 from FFR 3.2125 against the French franc; and Sfr 2.6800 from Sfr 2.7125 in terms of the Swiss franc, but rose to Y233.35 from Y233.20 against the Japanese yen. On the Bank of England's dollar, the dollar-weighted index fell to 128.0 from 128.1.

STERLING - Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. January average 1.4086. Trade-weighted index 82.7, compared with 82.5 at the opening, 82.4 at the previous close, and 85.7 six months ago.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates with columns for currency, amount, and percentage change.

Weaker trend

Glit and Eurodollar futures weakened on the London international Financial Futures Exchange yesterday, largely in response to worries about the performance of the U.S. bond market. Fears about inflationary pressure as a result of recent economic figures pointing to fast growth at the beginning of the year have led to a depressed bond market and a weaker dollar.

The overnight weakness of the U.S. market pushed gilt futures down at the opening before the strength of sterling on the foreign exchanges overcame the initial nervousness and gave the contract a boost. After opening at 108-22 for March delivery long gilt touched a low of 108-17, but then rose steadily to a peak of 108-23. This firmer trend was short-lived however, and the price fell back in the afternoon as the U.S. bond market had another poor start, pulling the contract down to 108-17 on Wednesday.

Dutch guilder weakened to DM 88.57 per 100 guilders from DM 88.65, while the French franc was unchanged at DM 32.415 per 100 francs and sterling rose to DM 3.8910 from DM 3.8710.

LIBRA - Trading range against the dollar in 1982-83 is 1.720.75 to 1.343. January average 1.706.89. Trade-weighted index 49.7 against 49.6 six months ago.

FINANCIAL FUTURES

Volume in short sterling futures remains restricted by expectations that London interest rates will show little change for some time, but the contract was supported by the strength of the pound. June delivery opened at 90.57, and fell to a low of 90.54, before closing at 90.55. The contract was supported by a rise in the U.S. Treasury bill yield with 90.58 on Wednesday.

Japanese Yen Y216.50 per 100 Yen

THE POUND SPOT AND FORWARD

Table showing Pound Spot and Forward rates for various currencies.

THE DOLLAR SPOT AND FORWARD

Table showing Dollar Spot and Forward rates for various currencies.

OTHER CURRENCIES

Table showing other currency rates including Argentina, Australia, Brazil, Canada, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies.

CURRENCY RATES

Table showing currency rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

MONEY MARKETS

London rates little changed

Interest rates remained dull and featureless on the London money market yesterday apart from a slightly softer tone in sterling interbank rates. Three-month interbank eased to 8 1/2 per cent from 9 1/2 per cent, but discount houses buying rates for three-month eligible bank bills remained at 9 per cent.

Bank bills in band 1 (up to 14 days maturity) at 9 1/2 per cent; and 15m Treasury bills in band 4 at 9 1/2 per cent.

MONEY RATES

Table showing money rates for various currencies.

LONDON MONEY RATES

Table showing London money rates for various currencies.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table showing discount houses deposit and bill rates for various currencies.

MONEY RATES

Table showing money rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for various currencies.

MONEY RATES

Table showing money rates for various currencies.

MONEY RATES

Table showing money rates for various currencies.

WORLD VALUE OF THE DOLLAR

Table showing world value of the dollar for various countries.

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INTERNATIONAL & BRITISH EDITORIAL AND ADMINISTRATION OFFICES

Head Office: The Financial Times Limited, London EC4A 3DF. Telephone: 01-499 4200. Telex: 940000. Cable: FT 6000. Fax: 01-499 4200.

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(number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

All advertising is subject to the publisher's terms and conditions, copies of which are available on request.

LEGAL NOTICES

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above-named Company will be held at Park House, Park Square West, Leeds LS1 2PS on Wednesday 22nd March 1984 at 11.30 a.m. to be followed at 11.45 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidator's Acts and Dealings and of the conduct of the winding-up to date.

ART GALLERIES

AGNEW GALLERY, 45, Old Bond St., W1. 91-429 6176. COLOURED AQUATINTS - Early 19th Century. 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th.

INTERNATIONAL CAPITAL MARKETS

APPOINTMENTS

SELGMANN, RAYNER & CO.

OPTION TRADER

We are looking for a young trainee to join our market making team to learn all aspects of the U.K. option market including stock index options.

Career opportunities may also include U.S. options and foreign currency options through our New York Stock Exchange Member firm.

Salary totally negotiable.

Please write to: Micky Froggatt, Selgmann Rayner & Co Friendly House, 21/24 Chiswell Street, London EC1Y 4TU

COMPANY NOTICES

THE "SHELL" TRANSPORT AND TRADING COMPANY, P.L.C.

NOTICE IS HEREBY GIVEN that a balance of the Register will be struck on Monday, 27th February, 1984 for the preparation of the half-yearly dividend payable on the FIRST PREFERENCE SHARES for the six months ending 31st March, 1984.

For Transfers to receive their dividends, their transfers must be lodged with the Company's Registrar, Lovells Bank plc, Registrar's Department, Goring-by-Sea, Worthing, Sussex, on or before 11.00 a.m. on Monday, 27th February, 1984.

Shell Centre, London E81 7NA 24th February 1984 By Order of the Board D. W. CHESTERMAN Company Secretary

NOTICE OF PURCHASE EUROPEAN INVESTMENT BANK

7.25% US\$ BOND OF 1984 DUE 31st FEBRUARY 1989. NOTICE IS HEREBY GIVEN to bondholders that during the twelve-month period ending 31st January 1984, US\$2,000,000 of the European Investment Bank's 7.25% US\$ BOND OF 1984 DUE 31st FEBRUARY, 1989 have been purchased.

By Order of the Board M. J. KING, Secretary

ELECTRICITE DE FRANCE (EDF) Floating Rate Notes due February 1999

The applicable interest rate for the period beginning on February 24, 1984 and ending on August 23, 1984 as fixed by the reference agent is 10 1/2 per cent per annum.

HOME BREWERY PLC CUMULATIVE PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Transfer Books of the above Company will be closed from 21st February 1984 to 31st March 1984 (both days inclusive) in order for the dividend to be prepared for the half-year ending 31st March, 1984.

By Order of the Board W. E. REEVE, Secretary

WILLIAMS & GILYS (NEEDERLAND) B.V.

11% GUARANTEED BONDS 1993. NOTICE IS HEREBY GIVEN that Copies of the Annual Report and Accounts of Williams & Gilys (Nederland) B.V. and of the Annual Report of Scotland Group are available from The Paving Agency, 180, The Arcade, London EC2A 4EJ.

By Order of the Board W. E. REEVE, Secretary

KINGDOM OF DENMARK

7 1/2% 1973/1988 FF 100,000,000. NOTICE IS HEREBY GIVEN to bondholders of the above issue that the amount redeemable on April 15, 1984, is FF 2,500,000 which is in the market.

Amount outstanding: FF 97,500,000. The Fiscal Agent: KREDITBANK S.A., Luxembourg. Luxembourg, February 24, 1984.

CANADIAN PACIFIC LIMITED

INCORPORATED IN CANADA. TORONTO, GREY & BRUCE RAILWAY COMPANY FIRST PREFERENCE BONDS. The above Bonds should now be presented to the undersigned to have the new sheet of coupons attached to them. Lists in forms to accompany the Bonds can be obtained from this office.

W. E. REEVE, Deputy Secretary, 50 Finsbury Square, London EC2A 4EJ, February 21, 1984.

PUBLIC NOTICES

CITY OF BIRMINGHAM BONDS

NOTICE IS HEREBY GIVEN that the BOND REGISTER will be CLOSED from 1st March to 31st March, 1984, both dates inclusive, for the preparation of interest due 1st April, 1984.

By Order of the Board City Treasurer, Birmingham B3 3AB

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for February 23.

Table with columns: U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, and various international bond issues with their respective prices and yields.

Table with columns: YEN STRAIGHTS, OTHER STRAIGHTS, and various international bond issues with their respective prices and yields.

Table with columns: CONVERTIBLES, Floating Rate Notes, and various international bond issues with their respective prices and yields.

EUROBONDS

Sweden steals the limelight

WITH the Eurodollar bond market reeling under the weight of a 40-year floating rate note for Sweden and sharply falling prices of fixed-rate bonds, new issue activity was limited yesterday. Credit Suisse First Boston is launching a \$100m floater for Arab Banking Corporation, with ABC as co-lead manager. The 13-year issue pays 1/4 point over the six-month London interbank offered rate at par and has put options for investors after seven and 10 years.

Table titled 'WEEKLY U.S. BOND YIELDS (%)' showing yields for various bond categories like Corporate, Municipal, Industrial, and Government bonds.

COPENHAGEN HANDELSBANK A/S

(Aktieselskabet Kjøbenhavns Handelsbank) The Annual General Meeting will be held on Monday, March 19, 1984, at 7.30 p.m. at the Balla Center, Center Boulevard, DK-2300 Copenhagen S., Denmark.

Table titled 'Accounts 1983' showing Profit and Loss Account, Dividend, and other financial details.

Agenda

- List of agenda items for the Annual General Meeting, including approval of accounts, recommendation of dividends, and election of directors.

Board of Directors

COPENHAGEN HANDELSBANK A/S

(Aktieselskabet Kjøbenhavns Handelsbank) Copenhagen, February 16, 1984.

Table listing the members of the Board of Directors, including names and addresses.

PHILIPS advertisement for the 895 Pocket Memo, featuring the product image and text describing its features like 'Visual Mark and Find' system and 'Hi-Q Sound'.

OVER THE COUNTER Nasdaq Market advertisement, featuring a large image of a hand holding a pen over a document, with text about market data and services.

PHILIPS advertisement for the SYSTEM 800, featuring the product image and text describing its features like 'Visual Mark and Find' system and 'Hi-Q Sound'.

FINANCIAL TIMES SURVEY

City of London Property

Quality leads the field

IT IS difficult to choose a single outstanding theme from the happenings in the City of London property market last year.

But a live market is one which moves. And move it did, in the autumn and winter of 1983.

Ellis noted a decline in new space coming on to the market in the second half of last year.

City talk

They conclude: "Space... taken up during the year by prospective occupiers amounted to 2.5m sq ft, which compares with 2.3m sq ft both in 1981 and 1982."

All over the City there was talk of occupiers moving from the central core to the fringes, or further, Ellis demonstrates why.

"It is interesting if surprising that older buildings offering a relatively low standard of accommodation, which have been released by previous tenants, form a significant percentage (some 43 per cent) of this total."

As the world's most expensive market in (frequently)

By WILLIAM COCHRANE

second rate space, the City core is still superb in attracting foreign banks which want representation. But when those banks are established, and expanding, it can hardly be surprising that they go where the space is more efficient and cheaper.

Mellon Bank's switch to Cutlers Gardens on the "wrong" side of Bishopsgate—this must have been sweet satisfaction for Stuart Lipton who departed from the developers, Greycoat, at a time when Cutlers was looking hard to let. First Chicago's shift to the MEPC/Legal and General Long Acre office scheme at Covent Garden; Chase Manhattan considering a partial move to Swindon, further demonstrated that the occupier held the whip hand.

Chris Peacock of Jones Lang Wootton says that 1983 was "the year of the tenant." Early on, that meant a lot of abortive work as latent demand simmered, rather than boiling over into actual deals, but now he sees real growth in two areas—American investment banks, and their Japanese and European counterparts.

"Last year, it was much more fun to act for someone acquiring space," says Mr Peacock, "but the scene is changing much sooner than I anticipated."



Impression of the first phase of St Martins' new London Bridge City development on the South Bank

The City core continues to attract foreign banks but for many customers prestige is no longer so important as premises geared to a fully-automated office and they are prepared to settle for the peripheral areas

tionally, shipping, insurance and commodity traders have represented the "eastern bloc" among City occupiers.

"Oversupply now is on the fringe," he says, "yet the take-up rate is largely related to that fringe." He adds: "I am aware of serious enquiries in relation to all the major schemes which are now going on."

Rodney Petty, of Weatherall Green and Smith, talks about what tenants want in terms of location, and quality. Giving due credit to Cutlers Gardens — "almost a separate entity" — he says that on balance the lateral move has been westwards.

This is no surprise. Traditionally, shipping, insurance and commodity traders have represented the "eastern bloc" among City occupiers.

He endeavours to introduce some balance into the banking growth argument. "Banks are trimming a bit on space," he says, with a thought to the Bankers Trust retrenchment announced early in February. "Their requirements for quality are increasing, yet they are more cost-conscious, especially in terms of service charges and rates."

On quality, he says that property has to be effective on the inside — which seems to mean flexible, wide open space. "Raised floors are very popular," says Mr Petty, "giving flexibility for the running of cabling; and air conditioning is asked for almost without exception — but it has to be efficient, and not prohibitively expensive."

Last year also saw a situation which drew the investment, occupational and development markets into financial conflict. Edward Erdman majored on the subject — City freeholds — in their 1983 property report.

Two markets

They opened: "1983 saw the City divided into two distinct vacant possession markets; the freehold and the rack rented.

Freehold sales within the prime financial core of the City of London have always been extremely rare," they said, yet 1983 witnessed over £100m of them.

Of the nine freehold sales listed by Erdman, four went to owner occupiers, three to investment funds. The funds' relatively low profile is perhaps understandable in a year which saw them still trimming back on their property investment and re-engaging in the cyclical joys of the equity.

But the predominance of the owner occupier suggests a number of things. First, that the City core is seen to have high intrinsic value as a scarce, prime location; that however

CONTENTS
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expensive it is now for tenants, is it likely to become more so; and that the occupier knows precisely what he wants, is prepared to get deeply involved, and will accept financial risk to get it.

Erdman accept that, on a superficial view, the availability of all these properties in a single year may seem ominous. "On closer consideration, however," they say, "it becomes apparent that many of the vendors were relocating to new offices in the City and, in certain cases, taking substantially more space."

Meanwhile, a furious battle of words has been going on, a lot of it in the letters column of this newspaper, between conservationists like SAVE and developers, architects and others who believe that new buildings are necessary to save the City from stagnating in an atmosphere of preserved, inefficient Victoriana.

Controversy is a healthy feature of an evolving market. Polarisation is not, whatever the proponents of the two-party system might say. In most cases, the conservationists and the "new build" school seem intent on damning the inadequacies of the other side.

More concentration on re-furbishment which works in terms of operational efficiency, or new buildings which are not an eyesore — and there are some of those — might make better sense in the long run.

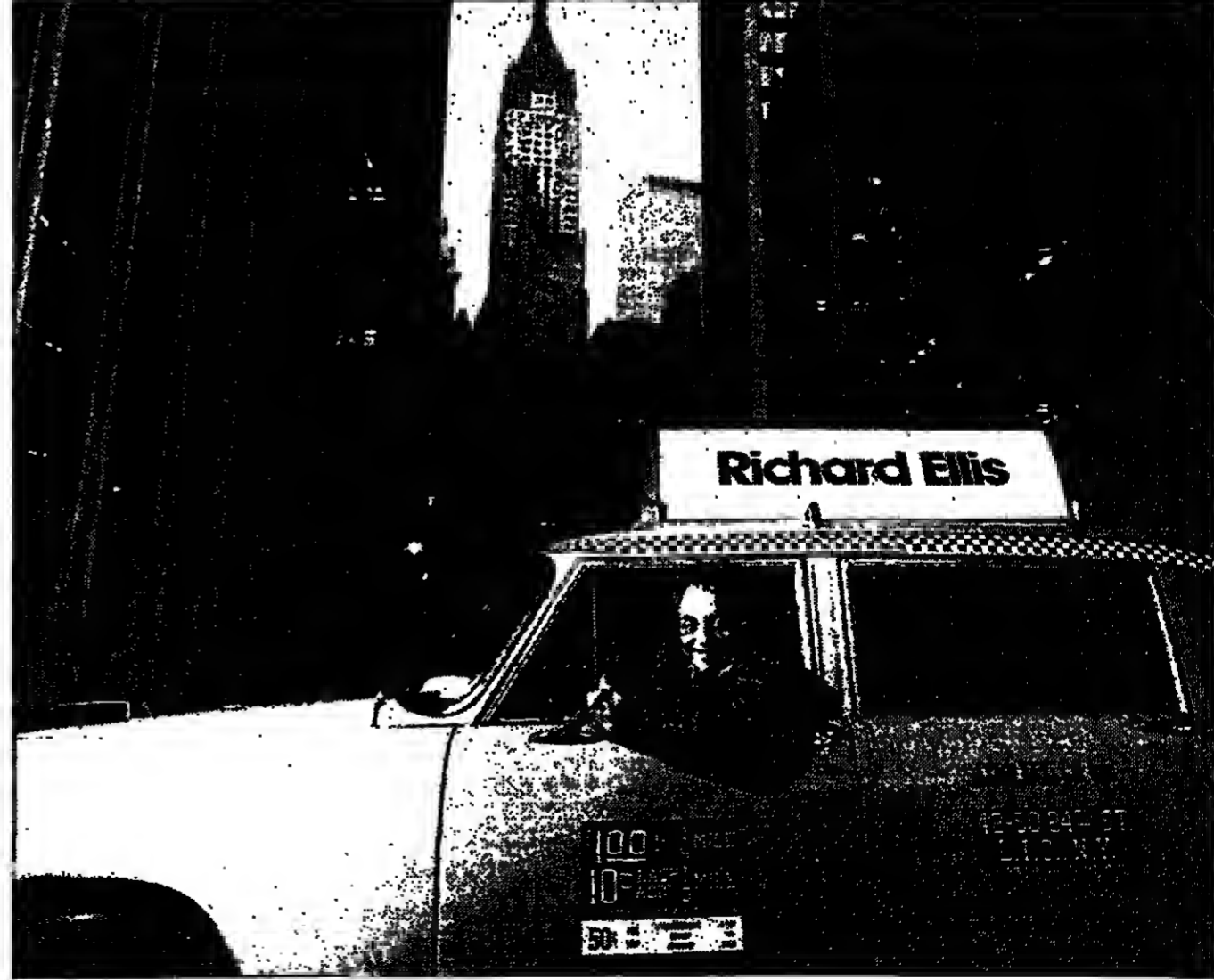
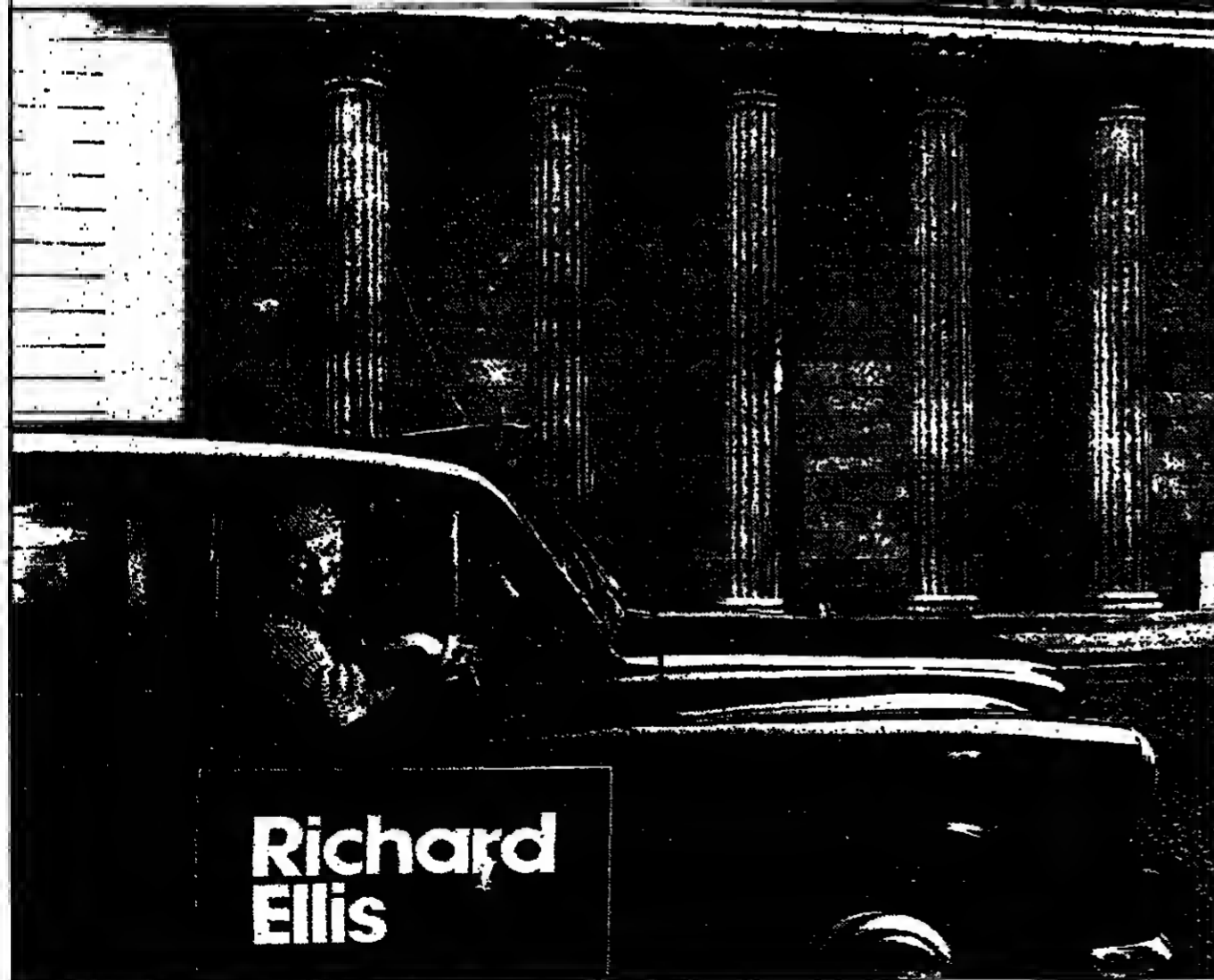
For the current year, Ellis are forecasting a take-up of around 3m sq ft against a new supply in the 8½m area. Some existing space is likely to be withdrawn from the market for improvement or redevelopment — as has recently been the case with IBM's former headquarters at 40 Basinghall Street.

As a result, the forecast is that the overall level of availability should continue its recent decline to total around 3m sq ft by the end of the year. Rental growth is expected to resume after the stagnation of last year, the argument between prestige and efficiency (or central location versus good space) will continue and perhaps more tenants will vote with their feet and go to the fringe (including St Martins' brave new London Bridge City on the South Bank), westwards or even further.

Public inquiry
The argument between refurbishment and new build is likely to be brought to a head in the three months from May 1, when Peter Palumbo's Mansion House Square scheme will be the subject of a public inquiry.

Hillier Parker's David Price, in charge of the City agency side, predicts that 1984 will be a year when a number of big names will need to make decisions on the City properties they studied last year; notes that supply and demand is finely balanced, to the extent that a shortage of prime accommodation could quickly appear; and that markets have a "herd instinct," acquisitions by some prompting more urgent consideration by the others.

Richard Ellis. A City institution. But which city?



Richard Ellis

Richard Ellis

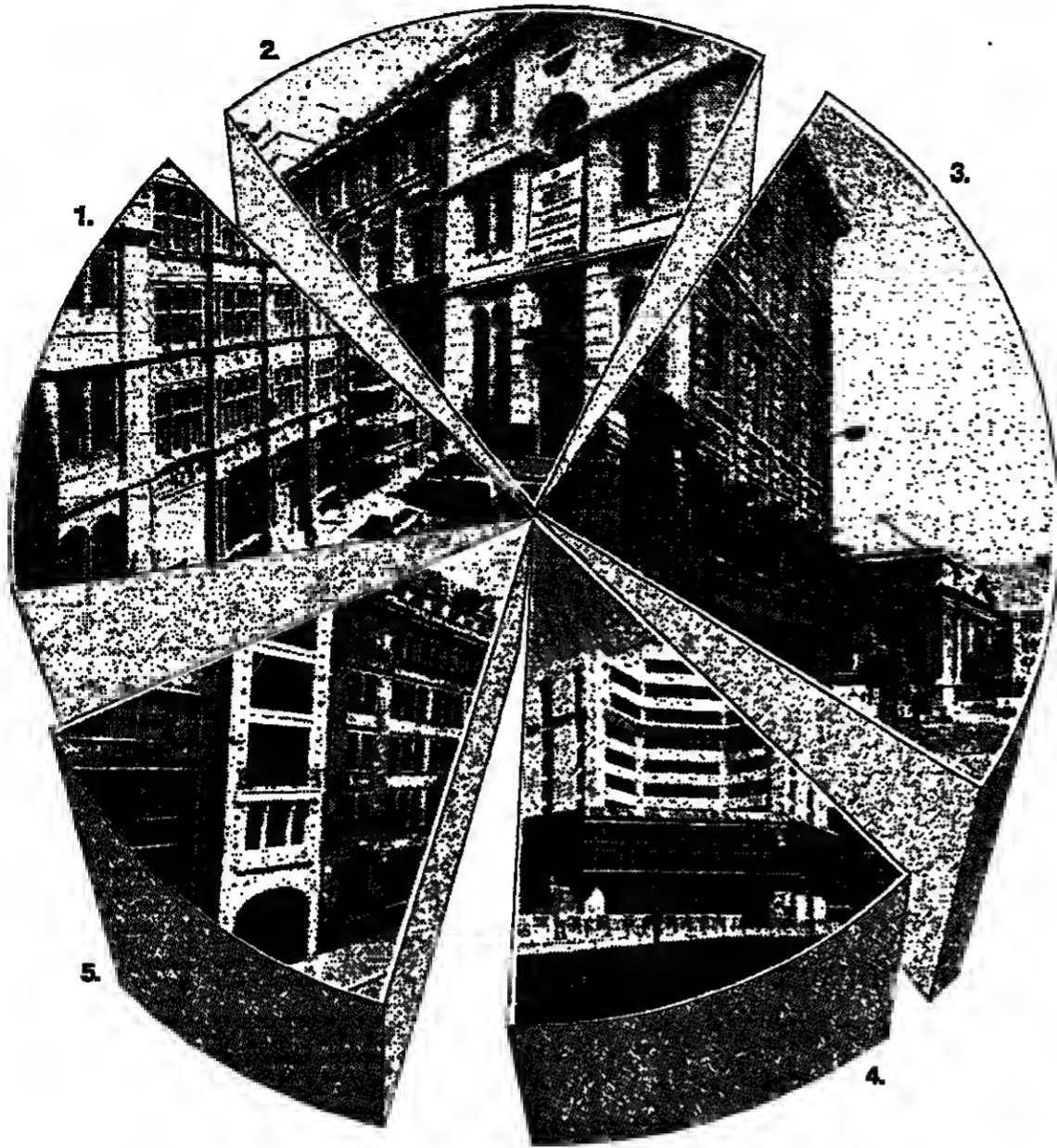
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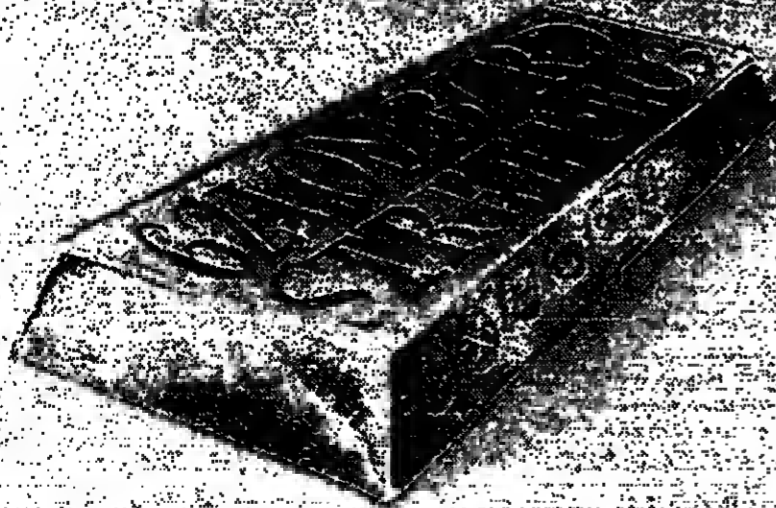
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CITY OF LONDON PROPERTY II

Demand started to improve at the end of last year

The smiles appear again

Agency market

MICHAEL CASSELL

WHILE MANY parts of the UK property market still await signs that the worst is over, the City of London is already providing clear and irrefutable evidence that a revival in its own fortunes is well underway. Only nine months ago, the City office market was suffering like everywhere else. The 45m sq ft of office floorspace which comprises one of the most important (and certainly the most expensive) business locations in the world was suffering from high supply, low demand and stagnating rents. Confidence about the prospects for an early recovery seemed as elusive as tenants.

Financial incentives and long, rent-free periods had become an accepted part of the market and agents found it increasingly difficult to maintain professional smiles on their faces. Things looked bad.

Neither did the crude statistics which spelled out the market's condition give any encouragement for those seeking a silver lining. By the summer of 1983, the total amount of office floorspace available in the EC postal districts had swollen according to agents Richard Ellis, to no less than 4.5m sq ft—10 per cent above the total stock. Three years before, the total stood at just 1.2m sq ft.

Oversupply

The huge oversupply starkly underlined the fact that, while demand remained weak and patchy, large volumes of new floorspace were coming on stream at the end of time days. At the same time, space was being vacated by occupiers who could no longer justify an attitude towards property which had been nurtured in better times. While the surplus of space mounted, many traditional City space users either postponed expansion plans, sought out cheaper accommodation further afield or simply shed some of the floorspace they already had.

Some of the occupiers who might have been expected to arrive on the scene, like the international banks, failed to materialise and in sectors like shipping and insurance the emphasis was on contraction rather than expansion.

As the great shake-out continued, an unusually large number of freehold properties with vacant possession became available and the competition they provoked among potential investors and occupiers at least gave grounds for longer-term optimism about the City's underlying strength.

Notable deals included the sale of two Royal Bank of Scotland buildings in Lombard Street, St Magnus House, the Midland Bank buildings at 60 Gracechurch Street, the National Bank of Chicago building at 1-2 Royal Exchange, Pinners Hall, 30-34 Moorgate, 1 Bishopsgate and 51 Eastcheap.

Imbalance

According to Jonathan Edwards of Baker Harris Saunders: "The imbalance between supply of prime investment opportunities and the weight of money available overcame any shortcomings in the letting market. Despite the downturn in activity, long-term funds were readily available for prime properties at very competitive yields and in some cases anticipated rentals well in excess of prevailing levels."

But the weak market in the first half of 1984 meant that, for the first time, there was an oversupply of high quality banking space in the central City core, particularly in the tower blocks where rates and service charges had risen substantially.

Increasingly, occupiers began to balance the merits of a central location with the lower costs inherent in accommodation elsewhere.

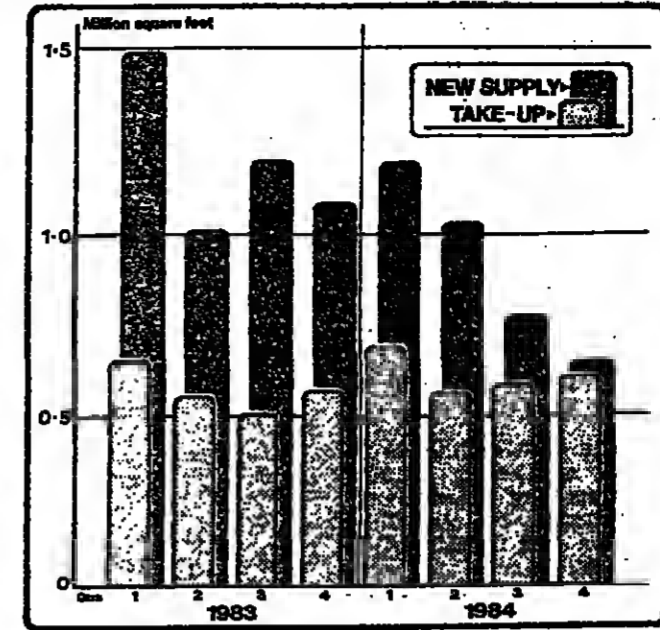
The impact on rents was a stabilisation at a peak of around £30 a sq ft. Jonathan Edwards says that, although there was little or no market evidence to support the view, many agents believe rents actually fell during much of last year—an opinion supported by a number of lease assignments at substantially reduced premiums and by the presence of significant financial incentives offered to prospective tenants on the City fringes.

By the middle of 1983, however, real signs of an improvement began to emerge. The General Election helped clear the air and falling interest rates and lower inflation combined to promote the first stages of recovery.

Agents began to report a reduction in the time-scale involved in the decision-making process before lettings and inquiries gathered pace. By the autumn, the deals were beginning to flow.

Some of the office developments which had stood empty—a testament to the hard times which had accompanied their appearance on the market—began to find tenants.

Cutlers Gardens, on the eastern fringes, is now virtually



fully let, Hambro Life's Citicape House on Holborn Viaduct has been taken, Bishops Court in Artillery Lane has a tenant and several of the major buildings around Finsbury Square—at the forefront of recent lettings and investment activity—have now been accounted for.

According to Peter Oswald of Savills, which now has an active City office, the turning point came quite quickly when it finally arrived: "We moved from a position in which occupiers showed little interest in the market to a point where inquiries began to flow and deals followed. There is no doubt that the market is now reflecting the improving economic climate and we expect 1984 to become increasingly buoyant."

The improvement in demand towards the end of 1983 helped compensate for a very shaky start. Estimates by Richard Ellis suggest that nearly 3m sq ft of office floorspace was taken up during 1983, although the final figure ended up at around 2.5m sq ft, once properties taken off the market for redevelopment or refurbishment were eliminated.

Distortion

The figure nevertheless compares well with the average 2.3m sq ft take-up recorded in both 1981 and 1982 and serves to illustrate that, while demand remained weak but reasonably consistent, it was the new supply (existing floorspace and accommodation becoming available) which created the hopeless distortion in the overall market balance.

Clive Arding of Richard Ellis's City office says the revival in take-up was particularly marked in the last quarter of 1983 and has been carried forward into 1984.

"During the last three months of 1983, the market returned to the point where there was a balance between new supply and take-up. Space which had previously exceeded take-up by a substantial margin since 1980."

Ellis calculates that last summer's peak of available space at 4.5m sq ft—had fallen to around 3.5m sq ft by the end of 1983 and is continuing to decline.

An analysis of the location of the stock of available space provides an interesting insight into prospects for various sectors of the City market. Of the total floorspace ready for tenants in the EC postal districts, only around 900,000 sq ft is now available in the central core and only about one-third of that involves prime, air conditioned office space.

Elsewhere, the stock of floorspace available immediately to the north of the central area stands at around 1m sq ft, while the balance of supply is scattered around the remaining fringe areas.

Success

In the fringes generally, there has been a significant degree of success for space in new developments.

Most City property market specialists now believe that the remainder of 1984 will see a continuation of the recovery.

Richard Ellis believes that around 3m sq ft of office accommodation will be taken up during 1984 as a whole, a total which would make it the most active period in the City since 1979-80.

New supply, however, will remain high—reflecting a high level of development completions and refurbishments coming onto the market. About 3.25m sq ft is likely to become available overall, compared to a lull over 3.5m sq ft in 1983.

Despite the gap between take-up and new supply, however, actual availability should fall to around 2m sq ft by the end of the year because a significant proportion of space taken off the market will be for redevelopment and will not reappear for some time.

The extent of the improvement in demand for floorspace will naturally be tied to the strength of the domestic and international economies but more floorspace seems likely to be required by the banks and other parts of the financial sector.

under way or proposed in the City reflects the changing requirements of tenants and the cost pressures they face. Buildings have to be energy-efficient and able to provide a flexible internal format which enables the occupier to alter office configurations as required. Larger floor areas in particular seem popular.

Among the major new schemes ready for occupation or in the pipeline are Trafalgar House's Plumtree Court in Farringdon Road (184,000 sq ft), the Greycoat-Rosehaugh development at Finsbury Avenue (281,000 sq ft), International House at the World Trade Centre (200,000 sq ft), Royal London House, Finsbury Square (190,000 sq ft), Haslemere Estate's scheme at Bevis Marks (101,900 sq ft), London and Edinburgh's Billingsgate development (168,000 sq ft) and Ebgrave House, the Edger Investments building (127,000 sq ft).

Of more than passing concern to the owners of buildings like these and the numerous developments which will be entering the pipeline is the outlook for rents.

Most agents, however, believe that rents this year will advance. Jonathan Edwards expects a general rise in the order of 10 per cent and says rents in excess of £35 a sq ft should be commonplace by 1985. Higher rents for the most popular property are also possible, he adds.

Richard Ellis, which in 1981 predicted top City rents at between £40 and £45 a sq ft in 1985, concedes that the recession knocked its forecast about but it still expects prime rents to rise from about £31 a sq ft to around £34 a sq ft over the year.

Clive Arding believes that the lower end of the 1981 forecast could be achieved towards the end of next year.

"The worst certainly appears to be over, though the speed and extent of the recovery will ultimately depend on numerous factors beyond the control of ordinary mortals and letting agents. But at least some of those smiles are returning."

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CITY OF LONDON PROPERTY III

Wind of change hits the core

Development

WILLIAM COCHRANE

"PEOPLE seem to be of the opinion that planners have no power to procure the development of good modern buildings," says Trevor Morgan of Edward Erdman's City office. He sits with his back to the unprepossessing (but retained) facade of 62-64 Cannon Street which is said to have cost Legal & General an extra £10 a square foot in redevelopment costs. He wonders whose fashion for conservation "has gone a little bit too far."

Why is it, one might ask, that the definition of prime space is pushing south and west of the traditional central core of the City? Could it be that some of the centre is not up to scratch? Mr Morgan thinks that way: "There is definitely an argument for some of the central core to be knocked down," he says.

Until recently, the Palumbo scheme at Mansion House was seen as the only core site where a major redevelopment was likely to take place, and the architectural perfectionists were having a heyday with it. Now it turns out that Waters Developments have plans for nearly 170,000 sq ft of office and banking space next to Mr Palumbo—on a site bounded by 72-80 Cheapside, 9-12 Pancras Lane, 1-2 Bucklesbury and 53-55 Queen Street.

A pattern

This has to be a healthy trend, if one is beginning. For a long time now, the argument between conservation and operational efficiency in the City seems to have proceeded by default—in the sense that expanding users have been moving out.

Richard Ellis notes in its latest City report: "While some financial firms continued to take space in the traditional central City area, others moved northwards to take substantial units around Finsbury Square and in Cuders Gardens. This pattern," they say, "appears to have been influenced as much by the availability of quality accommodation as by considerations of cost."

"If the choice is limited to a centrally located refurbishment or a new building elsewhere," says Ellis, "some may select the former option—but at a reasonable rent." The firm thinks that to attract a tenant within a reasonable time span even the best-located refurbishments need to offer high-quality accommodation.

Bill Peach, who has just moved from Ellis to City specialists Baker, Elliotts Saunders, takes time off major preoccupations like Finsbury Avenue and London Bridge City—both of which exemplify the optimism which is the keynote of the City development market at present—to look broadly at the issues.

Undeserved

Like a number of others, he thinks that some buildings which have been conserved did not really deserve to be. His variously lowered degrees of temperature in the shipping, insurance and commodity markets makes one wonder about ECS.

Meanwhile, not all developers are concentrating on the big space user. Guardian Royal Exchange with London architects the Thomas Saunders Partnership, conceived the City Village in Lovat Lane, ECS, which aims to safeguard the architectural character of the area while providing office accommodation for the smaller business in the heart of the City.

The £14m development comprises six new office buildings adding up to 62,000 sq ft, and has been designed to blend with the largely Victorian and Edwardian buildings in the immediate area, which lies between Eastcheap and Monument Street.

The scheme is old-fashioned on the outside, and modern within. It serves to indicate that there is room for all sorts of ideas, if the City stays alive. THIS YEAR had hardly drawn breath before property devel-

oper Peter Palumbo was in the news again, acquiring the leasehold of 1, Queen Victoria Street and removing another obstacle to his long standing redevelopment plans for the area around the Mansion House.

On May 1, a planning inquiry into the scheme is expected to begin, and last for about 12 weeks. The plans include a new square in the centre of the City (right), an air-conditioned, underground shopping concourse and a 178,000 sq ft office tower.



Artist's impression of the Lombard Street building which effectively had the same occupier for the best part of a century

Refurbishment in Lombard Street

SPEYHAWKS refurbishment of 66-62 Lombard Street and the adjoining 18 Birchin Lane will be completed this September or October. The development had sizeable problems related to age and occupancy, but plenty of scope for improving the net to gross space ratio.

The Lombard Street building, next door to the church of St Edmund the King, was built in 1889 to the design of John Macvicar Anderson as the London chief office of the Commercial Bank of Scotland (now part of the Royal Bank of Scotland, the vendors) and extended in 1922 by his son, H. L. Anderson.

So, effectively, it had the same occupier for the best part of a century. Trevor Osborne, Speyhawk chairman, comments: "Over the years, in many city buildings, it has been preferred and expedient to make piecemeal alterations related to the need to maintain occupancy."

"Lombard Street ended with a hopeless layout inside, a worn out interior and some illogical spaces at the rear where it linked with 18 Birchin Lane," he says. "Floor levels had to be adjusted in Birchin Lane to match Lombard Street... it was necessary for the layout

to be completely undone."

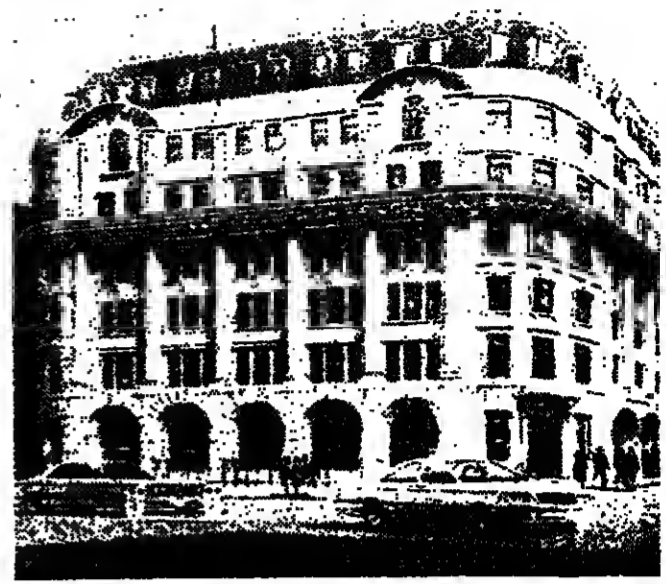
However, Speyhawk is increasing the net lettable area from 17,690 to 28,500 sq ft; by filling in a light well; taking out staircases; and slipping in an extra floor at mezzanine level, among other things.

It needed that to make the investment arithmetic work. Royal Bank got £9.5m for the two buildings and Mr Osborne agrees that they were said to be overvalued at the time. The price was split as 10 £9.5m with planning permission and £7.5m without.

The vendor did not want to sell subject to planning permission and the funder/investor, Scottish Equitable, did not want to buy without it. "Speyhawk had to stand in the middle and take the £1.8m risk," Mr Osborne says.

In the end, the risk could be paid off handsomely. Total cost of the project is now estimated at £17m or so, and total investment cost to Scottish Equitable might be close to £20m. To justify the arithmetic, Speyhawk is aiming for a rent of upward of £1m or over £35 a foot.

Agents involved in the scheme are Chestertons, who introduced the project, Drivers Jones and Wright Oliphant and Tribe.



The listed facades are retained in this drawing of the Moorgate redevelopment

When compromise pays off

SOME PEOPLE say that redevelopment behind an existing facade is a sham. If the ceiling heights are wrong, windows can be in the wrong place, and sometimes the facades are not worth retaining.

Where it works, however, the genre is an effective compromise in the conflict between City conservationists—saying that most new developments are cheap and nasty—and their opponents who can point to the operational inefficiency of older buildings in the central core, refurbished or otherwise.

Commercial Union Property's 48,000 sq ft scheme at 1 Moorgate has been designed with the end user very much in mind, says Donald Newell, City head of Hillier Parker, consultant surveyors and letting agents to the development.

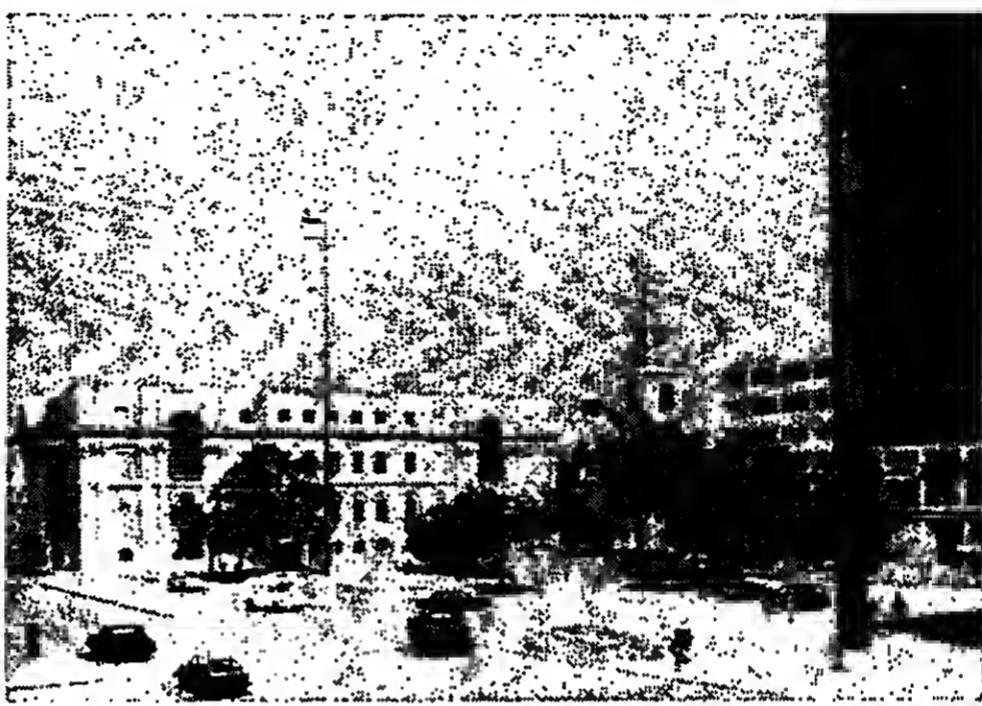
The listed facades to Moorgate, Lotbory and Coleman Street are being retained. For the totally reconstructed building within, the design stage

started four years before the development behind an existing facade is a sham.

He says that the professional team has researched all possible tenants' requirements, investigated many new and second hand buildings both in this country and abroad and interviewed occupiers as to the benefits and disadvantages of the buildings they occupy. Tenants' requirements, he says, have been incorporated.

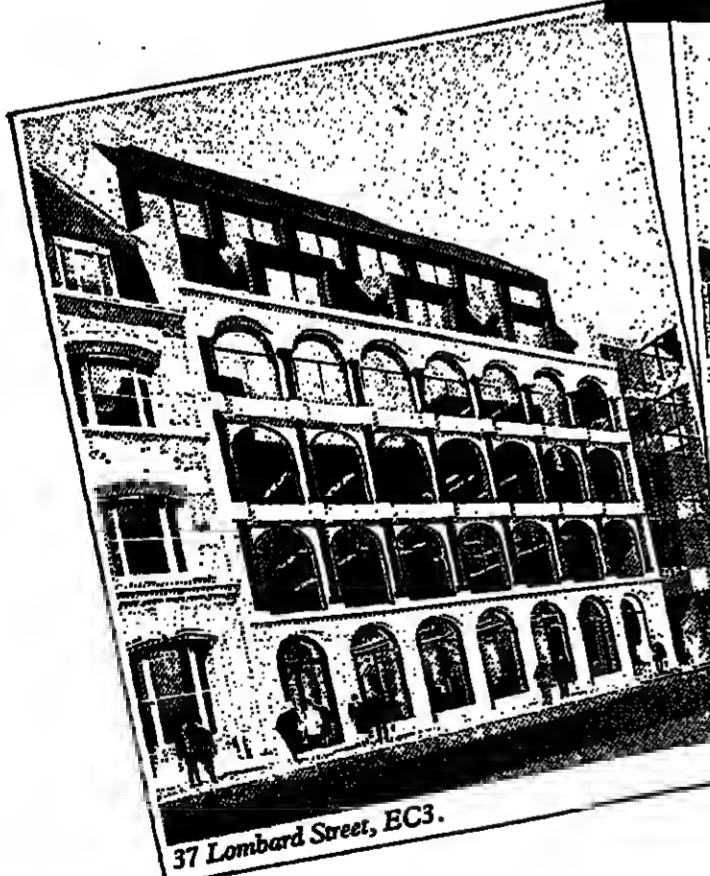
The office building is opposite the Bank of England, incorporates a banking hall, and is aimed at a single banking tenant who is expected to pay over £32 a square foot in rent.

The scheme is being undertaken on behalf of one of Commercial Union's long-term funds and it is believed that development costs will be in the order of £8m—not cheap but, as Mr Newell says, "we are coming to the stage where people are realising that they will make a loss if they do not do the job properly."



Mansion House Square scheme: model shows the view to the Mansion House and St Stephen Walkway

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37 Lombard Street, EC3.

37 Lombard Street is a self contained office building of approximately 10,500 square feet. Available in Spring 1985, the offices will be fully air conditioned and finished to a high specification. Available to let on a new lease for a term by arrangement. Joint agents: Debenham Tewson & Chinnocks.



33 Lombard Street, EC3.

33 Lombard Street is an exciting new office building of 55,000 square feet, with the benefit of on site car parking. Office floors overlook a spectacular atrium and have been designed with full air conditioning and raised flooring throughout for maximum flexibility. Available to let on a new lease for a term by arrangement. Joint agents: Jones Lang Wootton.



9/12 King Street, EC2.

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Quality
DAVID LAWSON

THE CITY of London has traditionally proved the clearest example of the rule that location is the most important factor influencing potential tenants and, therefore, property developers.

Demand from banks, insurance companies, financial institutions and professional advisers for the restricted number of premises within the City core has not only kept rents high but also tended to blot out that other important factor—quality.

There are strong signs, however, that the pendulum has swung away from the near-hysterical drive for the best location at almost any price. The recession may not have crippled the City in the way it has other areas, but demand has been relaxed for long enough to give potential tenants some degree of choice about the space they will take—and to force landlords to assess what they have to offer.

At the same time, businesses have become more sophisticated in their demands, partly because of the need to obtain better value for money during a time of restraint, and partly because of the changing needs created by new technology like computer links.

Flexibility is a word heard as often as location in much of the advertising today while behind the facade of sky-high rents, many buildings with the "right" addresses are being dismissed as unsuitable propositions without substantial re-modelling.

This might be expected in the older buildings which make up something like three-quarters of City space. But such is the search among tenants that even buildings erected within the last decade are already out of date. They often cannot handle the wiring, trunking and ventilation needs of the electronic office without costly changes.

Public view

Peter Oswald, a Savills partner, came out in the agents' 1984 Outlook with probably the strongest critique of City buildings, setting the scarcity of flexible space against the public view of massive over-supply of premises.

He quoted an American banking client who wanted foot-high trunking, 12ft ceilings, no columns and perimeter lifts. This approaches an almost unreal perfection, but illustrates

the disparity between much tenant demand and the space available.

Even in modern buildings, central lift cores can prevent tenants from making changes in the layout of their offices, while Mr Oswald is astonished at new premises coming onto the market with 1in service ducting.

He even takes a side-swipe at the much-praised Baring Bros building in Bishopsgate, which is only two years old and has 4in raised floors to carry the mass of wiring needed for the electronic office. That floor is judged 3in too low for some tenants, he says.

Hillier Parker, who managed the building project and helped let the block, seems proud of the design, however. They see the building as a prime example of premises needed by the bankers and dealers who typify the modern tenant.

The failings of much City property are well illustrated in a checklist by Hillier Parker of some of the specifications this sector requires:

- Floor loadings of 50lb per sq ft plus at least 20lb partition allowance.
- Ceiling heights of 8ft 6in.
- Good natural light and preservation of views.
- Variable air volume (VAV) air conditioning if costs allow.
- Maximum flexibility of space uses.
- This means assuring correct positioning of air-conditioning ducts, window mullions, light fittings and ceiling grids to enable the widest

variety of partitioning.

- For the same reason, raised floors to allow maximum number of outlets for power and telecommunications.
- High running efficiency. Tenants are becoming more aware of overall costs of accommodation.

The scarcity of sites in the City core and the strict protection enforced on existing building planners means there are few opportunities for providing the new structures which would meet these demands.

Problems

Renovation was once the answer, but much tenant demand has raced beyond even high-specification projects. The problems of high ceilings, structural internal walls and poor insulation are in many cases too great to produce premises of the right standard for the high-tech tenant.

There is still great demand for such space from smaller tenants such as professional advisers who may not have the same operational needs. But even these are adopting higher standards and buildings do not pre-let automatically as they did a few years ago.

This means that rental values have not grown in the way that could have been projected a few years ago and could be an indicator for the future of office development elsewhere.

Developers have reacted by raising standards and modifying rents. Vacated buildings

are being kept off the market for renovation, and there is a move towards complete rebuilds where it is realised that renovation is not enough.

Commercial Union, for instance, has ripped everything away from No 1 Moorgate except the listed facade. Hillier Parker and the rest of the development team spent four years planning the new internal space to aim to provide 48,000 sq ft of the highest quality banking space to suit the prime location next to the Bank of England.

Such opportunities are rare, however, and potential tenants are increasingly doing the unthinkable—looking to the fringes of the City for suitable accommodation. Only a couple of years ago the vast amounts of new space becoming available around the northern city fringes was frightening the analysts, while developments in

Hoborn and Strand were considered very secondary and the South Bank seemed as far away as the dark side of the moon.

Magnets


Today, the 600,000 sq ft Curriers Gardens scheme near Bishopsgate is filling with financial tenants, while Midland and Grindlays banks face each other across the Thames.

In other words, while location is still important to tenants, it no longer overrides all else. They will seek to be near the magnets of the City core but if the right space is not available they will move to the edge—or but of the City.

The old adage that the three most important factors in development were location, location and location is ready to change to location, quality and value—but not necessarily in that order.

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REMAINDER LET AND INCOME PRODUCING

Testing a barrier

DEVELOPERS are beginning to take advantage of the increasing willingness of City tenants to look beyond the traditional core location to fringe sites for the large, quality buildings they require for expansion.

Greycoat was something of a pioneer with its 600,000 sq ft Curriers Gardens, which hardly seemed like a bold step to outsiders because it appears so close to the City. But so small a step for the financial concerns who have moved in was a giant leap for the market as a whole.

Other big schemes are now coming out of the ground in a bid to tap the same demand. Greycoat and its partners have almost finished the 260,000 sq ft first phase of a distinctive office development near Liverpool Street Station, while British Rail is still trying to tap the same demand. The most ambitious project, however, is the redevelopment of the semi-derelict Hay's Wharf site on the South Bank, newly-dubbed London Bridge City, which could cost St Martin's Property Corporation some £350m. While the site is

a mere seven minutes from the Bank, the developer has to overcome an immense psychological barrier in persuading tenants to cross the river out of the beloved City.

In its favour will be rent levels of between £14 and £18 a sq ft—which will appeal to the new quality of City tenants facing rents of more than £26 a sq foot—and some of the most flexible high-quality space being built anywhere in Britain.

Conviction

Both London Bridge City and the Liverpool Street developments are set to test the conviction among most City property observers that seemingly impossible tenants will opt to leave the City core to find the right quality space at the right price.

The first phase of the South Bank scheme is divided into three main components, all coming on-stream between mid-1985 and 1986. They are the granite-clad No 1 London Bridge (100,000 sq ft), the glass-fronted Cottons (130,000 sq ft), and the rebuilt Hay's Wharf (six buildings of between 21,000 and 73,000 sq ft).

One of the main attractions being stressed by agents Jones Lang Wootton and Baker Harris Saunders is the flexibility of such a varied scheme. At one extreme Cottons can provide

fitting false doors storey by storey while business goes on in the building.

Ceilings can be ripped out to maintain bedroom and up-lighting plus spotlights substituted. Air conditioning can sometimes be fitted into curtain walling.

For more substantial work may be required by a landlord seeking the best of an old building. Finsbury Square House, renovated at a cost of £4m by Ashby & Horner for Norwich Union, is a good example. The proof that such renovation can be worthwhile comes from the purchase by the Bank of Nova Scotia from Norwich Union of the 54,000 sq ft block after the work was done.

This was typical of a pre-war office building: steel-framed, stone-clad, with limited toilets and one main staircase. New better uses, plant rooms and switch rooms had to be built in the basement and on the roof for the air conditioning, while floor ducting and skirting trunking were built for cabling.

A typical problem in these buildings is low cross beams, which make it impossible to insert false ceilings to take air conditioning ducts without cutting into the window areas. Else were used at the top of each new, double-glazed window

Bonanza for specialists

OLDER BUILDINGS are proving to be a problem in the City. They usually do not have the capacity for cabling required for extensive use of electronic equipment by tenants such as banks and financial dealers, nor the space for ducts to carry air conditioning.

High rents and recession have encouraged occupiers to demand lower running costs, yet even relatively modern blocks are not energy-efficient. Nor do they have the internal arrangements of lighting and column spans matched to window placing which allows flexible internal arrangement of office space. Developers were not concerned with such details when they could let building easily in the years up to the 1970s.

Building companies like Ashby & Horner have been provided with a bonanza as landlords seek to uprate their space to attract tenants, and occupiers seek more efficient use of space so they can sublet in the face of high rents, rates and running costs.

Where occupiers want to improve the quality of their premises without sacrificing prime location, James Thornton, a director of A & H, points out that many premises managers are coming to terms with rapid refurbishment involving

fitting false doors storey by storey while business goes on in the building.

Ceilings can be ripped out to maintain bedroom and up-lighting plus spotlights substituted. Air conditioning can sometimes be fitted into curtain walling.

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A typical problem in these buildings is low cross beams, which make it impossible to insert false ceilings to take air conditioning ducts without cutting into the window areas. Else were used at the top of each new, double-glazed window

in Finsbury Square House to mask the effect. Even modern, curtain walled office blocks in the City often have inadequate ceilings heights to make this conversion.

Structural alterations to provide new stairs, lift and plantroom proved a special problem for Ashby and Horner because of the ancient marsh subsoil of this part of the City. Piles had to be driven down 18 metres to take the extra steelwork. The steel frame also provided unexpected difficulties because of rusting, which is another typical fault with buildings of this age and type.

Norman Bowie, Jones Lang Wootton's grand old man of City property, has cast a jaundiced eye over 1960s office blocks which he says would require spending of 250 a square foot to produce the operational efficiency required by modern tenants. James Thornton says 250 would probably provide a "bog standard" conversion—but would this be sufficient for the ever more demanding tenants?

And with the sort of hidden problems revealed in Finsbury Square House, it seems that no figure should be relied on as being accurate until the job is over.

D. L.

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CITY OF LONDON PROPERTY V

City core adapts to needs

The occupiers

WILLIAM COCHRANE

BETWEEN JUNE 1982 and June 1983 Savills identified 399 individual lettings in the City. Broadly speaking, UK and foreign banks grouped themselves around the core and other finance houses did the same; insurance, shipping and commodities mostly had a penchant for the eastern sector while professional services—accountants, solicitors and others—were going north and west.

The banks were active in that 12 months, and they have been more active since the summer of 1983 as bigger units of space have started to be taken up.

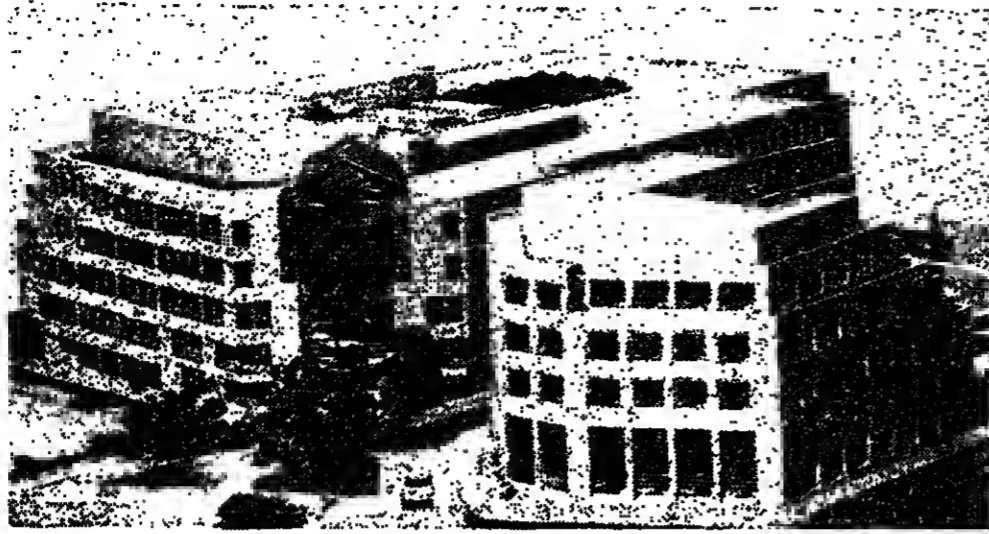
Hillier Parker say that the UK clearing banks and international banks remain the most significant tenants for the central area prime buildings. "The traditional banking hall," they add, "is less significant to overseas banks but ground floor representation and a self-contained building brings with it an ability to display a bank's name, provides considerable prestige and assists with security."

Kudos

"It is clear," say the firm, "that the addresses of Moorgate, Lombard Street, King William Street, etc. still carry considerable kudos in international banking circles and Bishopsgate and Cannon Street have now assumed equal significance."

The characteristics of ground floor representation in the core are not all attractive. George Gillon, of Richard Ellis, observes: "rep banks (foreign banks seeking city representation) used to want a lighthouse—a little island with a number of floors and their own front door. Now they would rather sacrifice that for a single floor operation."

They could both be right. The scholarly, the patriarchs, salesmen, accountants, bureaucrats—all of them seem to



Model of an approved 200,000 sq ft redevelopment including Beaver House, home of the fur trade, showing the frontage to Queen Victoria Street. The estimated cost is £40m

get their turn in running organisations, and property decisions are likely to be affected accordingly.

The property world, of course, is not slow on the uptake. Big floors which can be subdivided offer flexibility, and some attempt—internally, externally or both—at aesthetic appeal is made with most buildings; information technology buffs are acknowledged with raised floors and energy conservation, provision of natural light and general cost effectiveness rates highly in most new developments.

Meanwhile the tenant seems to be going for what he wants—where he gets it being sometimes less important than it used to be. Ellis makes the point: "An increase in take-up by banks and other financial firms was recorded in 1983."

"Foreign banks were particularly prominent in the market although units of space were also taken up by several merchant banks and also by one of the clearing banks. Banks took a significantly greater number of units, mainly over 40,000 sq ft in size, in new developments than in the previous two years."

Mellon Bank and Wardley going to Cutlers Gardens, a handsome Greycoat development in an ill-fated location, indicated that either the core is less important than it used to be, or that the definition of it less fixed.

S. G. Warburg was prepared to sell a reported £15m in equity at 30 Gresham Street to USAF Bank to move into Land Securities' King William Street House — it is getting out of 102,000 sq ft in four City buildings to regroup in its new 130,000 sq ft headquarters.

More action

That building bordered on one side by Upper Thames Street, indicates either the shift of prime or the establishment of a "halo" around the core, especially to the south. The move may also be indicative of more action upcoming from the merchant bank fraternity.

"I'm convinced that the merchant banks will take the initiative this year," says David Price of Hillier Parker. "We are acting for three, letting to a fourth, and know of a total

of six which are doing fairly significant things."

There is little pressure to the east at the moment, with shipping, insurance and commodities in varying degrees of quietude. There is no apparent reason, however, why the professions should be limited in direction, and it will be interesting to see where the several accountants believed to be in the market for space will eventually establish themselves.

In the centre, moves by two major French banks—Société Générale and Banque Paribas—are relevant. At 60 Gracechurch Street, EC2, a 70,000 sq ft banking office building owned by the Midland Bank was sold to Société Générale for its own occupation.

At 68 Lombard Street, EC3, Banque Paribas bought a 40,000 sq ft banking/office building from Barclays at a reported price of £18m. Paribas is refurbishing the building, again for its own occupation.

These freehold deals, like a number of others, were made against strong competition from developers and investment funds. So the occupiers have been showing their ascendancy in more ways than one.

U.S. banks among the pioneers

U.S. BANKS are frequently seen as the pioneers of relocation. Periodically, one of them will move all or part of its facilities out of the City core and the media play up the controversial aspects. But their policies can also be seen as part of a maturing process which, over years and decades, brings new blood into the City and pumps unnecessary occupancy out.

In 1976 and 1977, when BankAmerica and Continental Illinois respectively moved to the west end of Cannon Street and the former offices of The Times in Printing House Square (now 163 Victoria Street), they were not so much leaving as expanding the body of the City itself. Cannon Street, especially, is much more sought after as a location now than it was in the mid to late 1970s.

Last year, BankAmerica was troubled by reports that it would be moving out of 25 Cannon Street as well. This is not

the case. Earlier the bank made a decision to have a "three-footed presence" in the UK. Its marketing and customer related functions will remain at Cannon Street. Back office and processing staff—people who keep the books—will be in Bromley and systems and data processing in Croydon.

BankAmerica has some 120,000 square feet in Cannon Street, 130,000 in Bromley and 144,000 in Croydon. On rents, rates and service charges, it can see a clear and considerable saving by moving "low profile" staff out of the centre.

Chemical Bank seems to be a topic in the market after its 1982-83 move of operations staff to Cardiff—curious, this, since it moved them from 180 Strand. "They don't like it there," goes the story; "they're looking to move back to London."

All the stories like this that the Bank has heard, apparently, come from agents—and City

agents, to boot. It says that its experience in Cardiff has been good, and that if it had not made the move it would need another building in central London.

"It reckons that agents ignore 'other' operational costs like staff, the quality of same and the ease with which they can be hired. It sees no great communications difference between the building in central London and two which are further apart."

The odds are that it will need more central London space at some time, but this will accommodate growth in marketing, rather than operational requirements.

What is clear is that American banks, if they want operational quality of space, are not going to be hog-tied by conventional City boundaries. First National City Bank of Chicago is regrouping its operations into two centres—down from

five—and while it will be leaving its clearing centre and payments office in Royal Exchange Avenue it is also becoming the principal tenant in the M&P/Legal and General Long Acre office scheme two miles west of the City at Covent Garden.

Another candidate for a move—Chase Manhattan, heard to be looking at a number of options including a move to Swindon last November, is still in the same position. Chase occupies Woolgate House, the 240,000 sq ft building in Basinghall Street, which is the largest UK office investment owned by the Hamner Group.

There seems no threat to Hamner in the Chase plans, since it has expanded in recent years and seems likely to retain all or most of Woolgate. Chase is expecting to come to a decision on the move quite soon.

William Cochrane

Some of our Successes in 1983

Some of your Opportunities in 1984

1983

- 1 Dorset House, Stamford Street, SE1: Letting of 90,000 sq ft self-contained building.
- 2 68 Lombard Street, EC3: Freehold of 44,000 sq ft acquired.
- 3 St Helens, Undershaft, EC3: Acquisition of three floors in this prominent tower block.
- 4 7 Devonshire Square, EC2: Acquisition of 71,000 sq ft in Cutlers Garden complex.
- 5 1/4 Royal Exchange Buildings, EC3: Freehold sold (Nos 1/2) and letting (Nos 3/4).
- 6 Bishops Court, Artillery Lane, E1: Letting of new building of 53,500 sq ft.

1984

- 7 68/73 Cornhill, EC3: Prime banking building to let of 30,000 sq ft.
- 8 33 Lombard Street, EC3: Prime banking building to let of 55,000 sq ft. Available May 1984.
- 9 Standon House, 21 Mansell Street, E1: New building to let of 42,000 sq ft.
- 10 150 Holborn, EC1: Only 27,600 sq ft to let in units from 6,000 sq ft.
- 11 Longbow House, Chiswell Street, EC1: 49,000 sq ft to let in units from 10,000 sq ft.
- 12 "City Village", Lovat Lane, EC3: The first two of six new office buildings to let, 8,325 sq ft and 11,560 sq ft.

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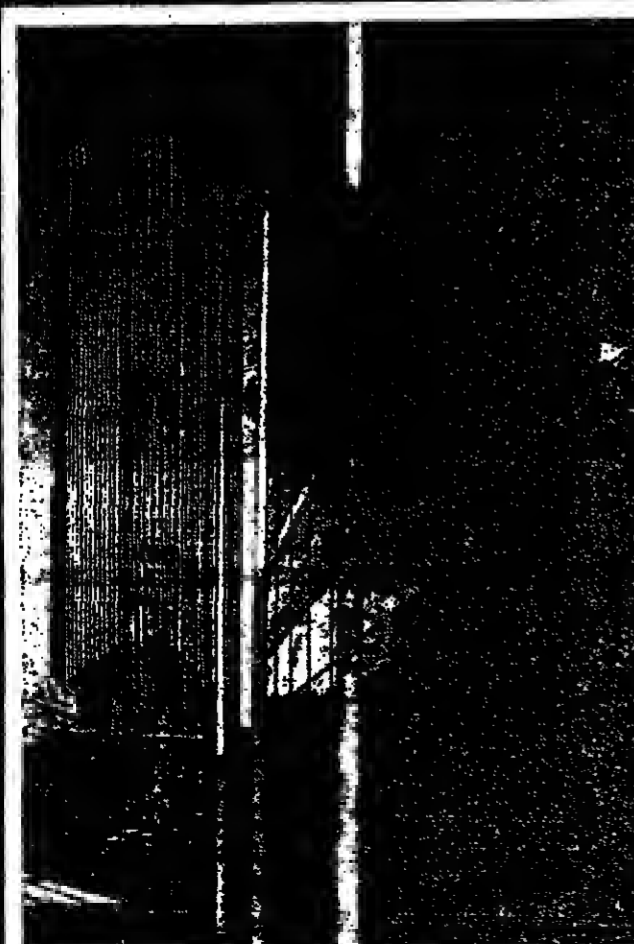
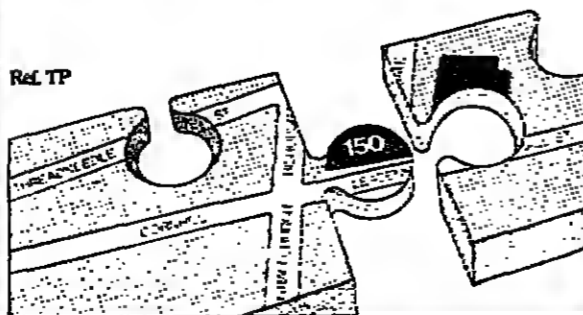
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401 ST. JOHN STREET, EC1 (Joint Agents: Chittoms)	12,340 sq. ft.
46 BISHOPSGATE, EC2	2,100 sq. ft.
PRINCES HOUSE, GRESHAM STREET, EC2	2,000 sq. ft.
ST. HELEN'S, 1 UNDERSHAFT, EC3	4,756—22,156 sq. ft.
HOOP & GRAPES HOUSE, ALDGATE HIGH ST, EC3 (Joint Agents: Baker Harris Saunders)	7,655 sq. ft.
MARKET BUILDINGS, MINCING LANE, EC3	1,380 sq. ft.
8 BREAMS BUILDINGS, EC4 (Joint Agents: De Groot Colli)	10,000 sq. ft.
78 QUEEN VICTORIA STREET, EC4	360—760 sq. ft.
46/50 GUN STREET, E1	1,984—8,580 sq. ft.
120 MIDDLESEX STREET, E1	944—3,559 sq. ft.
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CITY OF LONDON PROPERTY VI

Institutions respond to challenge

Investment

WILLIAM COCHRANE

PROPERTY investment came low on the list of institutional priorities last year. For insurance companies, figures covering the first nine months of 1983 showed total investment in this medium of £572m compared with £718m in the same period of 1982.

Pension funds were even less enthusiastic, putting in £363m against £585m, and the combined total was down by over 30 per cent from the £1.35bn spent in January/September 1982.

Anecdotal evidence suggests that the City was more fortunate, coming close to retail property among the more favoured institutional arenas. But the City, high-rented as it is, has problems of its own: 100,000 sq ft, say, at £30 a foot means £3m of income and a valuation around the £70m

mark. Most institutions cannot contemplate that as a single commitment. Ian Davie, investment property supervisor for all of General Accident's investment property funds not owned and occupied by the group, explains the situation from GA's angle.

"We're not that big," he says. "About £20m to £30m is as far as we can go." This, in theory, would be the combined strength of all GA funds although in practice they have different requirements, and different tax structures. "Some funds smaller than us," he notes, "might only be able to go up to £5m."

Big money

"Our investment policy," says Mr Davie, "is governed by our investment committee. If someone comes forward with a project, and that project is going to cost £50m, we can probably stop talking right there."

General Accident, whose main life company is Yorkshire General, has been involved in consortium finance—the apparently obvious way of splitting a

big investment between a number of funding sources. "From a personal viewpoint I am not keen on the consortium method," says Mr Davie. "I like to manage property myself, and four different stakeholders might have four different ideas about how a property should be run."

GA is currently involved in two City refurbishments, 66-67 Cornhill and Beckett House in Old Jewry. In both cases it has reorganised the leaseholds on a 125-year basis with the freeholders—the Grocers Company, and the Mercers Company respectively—and actual refurbishment costs between the two will amount to some £8m.

Mr Davie's views on how a property should be run are not the only argument against consortia. It is an old adage the property is an illiquid investment. It becomes more so if there is more than one stake in the equity.

However, plenty of investment challenges were accepted in 1983. Donald Newell of Hillier Parker calculates that 30 buildings (17 freehold and 13

long leasehold) were sold in the City last year, these transactions including disposals with vacant possession.

The total sum involved, he reckons was about £400m of which the freehold content was about £300m. "Investment yields," he says, "range from 4½ per cent to a figure of probably around 7 per cent for St Magnus House on Lower Thames Street, which was the biggest of the lot at £40m."

Partnership

This, he thinks, demonstrates that there are more people with big money than the market tends to think that there is more demand than there was 18 months ago; that investors are forecasting growth in rental values; and that the increase in supply over the next 12 months will be fairly limited.

One fund which was not afraid to show its muscles last year was Merchant Navy Officers Pension Fund, which spent £33m to pick up its first property investments in the City—the 70,000 sq ft Pinners Hall in Great Winchester Street and the adjoining building at 105-108

Old Broad Street—occupied by the French bank, Société Générale, which is due to move this year to 90 Gracechurch Street.

What the Fund gets initially is net lettable office space totalling 91,500 sq ft and a yield of between 5 and 6 per cent. Looking further ahead, there must be redevelopment potential for a City site of just under two-thirds of an acre.

In the meantime, it can aim to improve the returns on the multi-tenanted Pinners Hall, which accounts for 70,000 sq ft of the space. Mr Geoffrey Mutton, the Fund's investment manager, said last August: "We enjoy the management aspect of property..."

Other major fundings are dealt with in the other articles on this page. Both Billingsgate and Finsbury Avenue are dealing with sums outside the usual institutional range.

The way the developers approached the problem was simple but risky in the first case and apparently complex in the latter; but they both seem to avoid the major consortium finance drawbacks.

Billingsgate's timing should net a good catch

Just over a month before London and Edinburgh Trust, run by brothers John and Peter Beckwith, came to the London Stock Exchange last November via an offer for sale, its prize development in the old Billingsgate market ran into a major snag.

The London Commodities Exchange said that it had abandoned plans to take space in the redevelopment, and would be pursuing proposals to develop a 400,000 sq ft scheme close to the Tower of London.

It is still, however, an exciting scheme, still funded in an unfussy way, and it could be that the trends of supply and demand in the City market will be working in its favour when it is completed in the summer of next year.

Consortium finance

London and Edinburgh has a 33.2 per cent interest in the development partnership with an associate of S and W Beristford. The development comprises two adjoining office towers, linked by a central atrium, and will provide up to 185,000 sq ft of nettable space. In addition the existing market hall will be refurbished to provide specialist shops, offices (about 60,000 sq ft) and restaurant and leisure use.

The company's maximum potential capital commitment is £6.67m (indicating £20m for the partnership) of which £2m had been contributed when the prospectus was published. At that time the partnership was already ahead of the game with the site valued in its existing state at £22m. Just over £44m was estimated as the cost of completing the development, on which

the value was then expected to rise by another nearly £52m. In the present, more optimistic state of the market, some observers say that it could go higher than that.

To cover the £44m of outstanding costs, the Billingsgate partners arranged a non-recourse loan from a syndicate of banks, led by County Bank and Chase Manhattan. Non-recourse? As one adviser explains it: "If we went to war and the bomb drops, everybody could lose their money; the bank loan is secured on the building and the developers are limited to their £20m commitment."

While arranged, the loan has not yet been drawn on, but it will be fairly soon, says LET chairman, John Beckwith. For the record, LET's net assets were £3.8m at June 1983, rising to £14.5m after including the proceeds of the offer for sale.

The Beckwiths came to the market with a proven ability to pick good sites, choose attractive schemes, find reputable development partners and employ a wide range of imaginative technical techniques. The question now, lacking the London Commodities Exchange, is whether they have their timing right as well.

When they went into this one back in 1981," says Donald Newell of agents Hillier Parker, "estimates of completions showed that a lot of new property would be finished off in 1981, 1982 and 1983, with a tail-off in 1984 and 1985."

"Now," he says, "it looks as if anything coming in 1983, with a pick-up in demand coupled with the tail-off in supply, will be looking pretty healthy."

Finsbury Avenue looks to the future

"WHEN WE acquired the site it would have been impossible to fund on traditional basis," says Mr Godfrey Bradman, chairman of Rosehaugh, which is undertaking the development of Finsbury Avenue in partnership with Greycoat via Rosehaugh Greycoat Estates. "It was just a piece of land which could take 1m sq ft of development."

"We had to use lateral thinking," he says. "What do the institutions require? They don't want a £100m development with no tenants and only an undeveloped site as security."

"As a result of my discussions with a number of institutions the funding was organised as a financial, rather than a property investment package," says Mr Bradman. "At that time, when the site was empty, the investing consortium subscribed for £33.8m of nil paid First Mortgage debenture stock with an obligation to pay later." Rosehaugh then went to an American bank, Chase, for interim finance. It borrowed £33m from Chase effectively on the investors' obligation to pay for the call on the debenture stock, when it was made.

"Chase was happy about the covenants of the investors (they include RIT, Dixons and British Land) and we got the money with no commitment fee to Chase at 8 per cent over the cost of funds for a proportion, and 1 over for the balance—a very fine rate," he explains.

In addition to subscribing for the debenture stock, the investing consortium also got all of the 3,380 £1 ordinary shares in the development company. They have the right to require their shares to be purchased by the A ordinary shareholders (mainly Rosehaugh and

Greycoat) for 33 per cent of the post tax, net asset value of the development company, no later than November 30, 1987.

All this centres on the first phase of the Finsbury Avenue development which is expected to include 250,000 sq ft of office space, car parking, six retail units, a restaurant, a public house and leisure facilities.

Talk in the market puts the rent at £19.75 a foot for the office space which on a yield of 8 to 8½ per cent values the office element at £31.6m in the middle of the range.

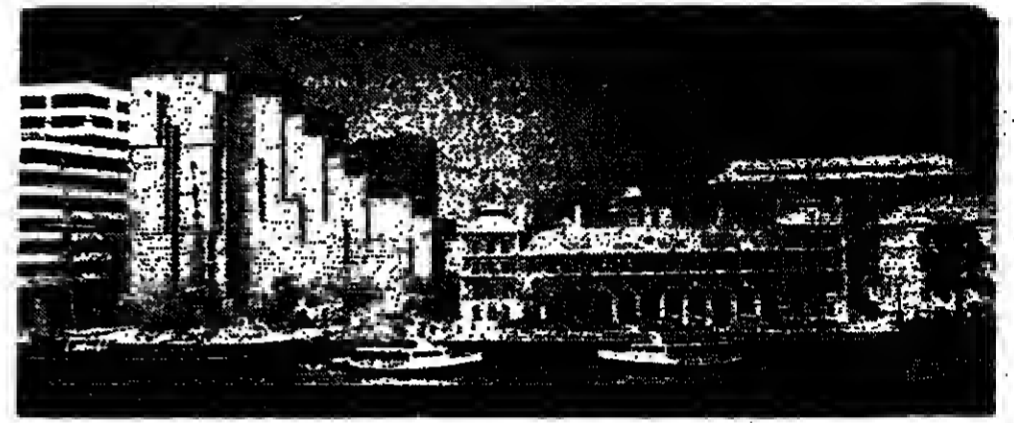
Eight storeys

Letting agents for the project are Baker Harris Saunders and Jones Lang Wootton. Arup Associates are the architects. The eight-storey building is "visually striking," say the developers, and so it is. Some observers love the futuristic look of it and others are much less complimentary.

Inside, there is likely to be more accord with large floor areas of over 30,000 sq ft, cost efficiency and an atrium designed to maximise the benefit of natural light.

Simon Harris of Baker Harris Saunders says that it is "without doubt the most advanced building in central London." DEGW, space planners and architects, measuring Finsbury Avenue against the ORBIT report on the likely impact of information technology on office design, gave it high marks in most departments.

It may be worth remembering, too, that this is one of the two developments in which Stuart Lipson retained an involvement when he resigned his joint managing directorship of Greycoat last year.



Model of the proposed development of the former Billingsgate fish market incorporating two office towers linked by a central atrium.

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